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China Report

AGRICULTURE

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NATIONAL

LIAOWANG REVIEWS CHINA'S RURAL REFORM

HK180859 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 2, 13 Jan 86 p 4-6

[Article by Huang Chen [7306 6591]: "China's Rural Reforms: Review and Prospects"]

[Text] How will China's rural reforms be carried out in the new year? At a conference on China's rural work held in Beijing last month, the CPC Central Committee gave an answer to this question. The conference summed up the experiences of the rural reforms in 1985, discussed policies and plans for rural work in 1986, and formulated another "Document No 1" of the CPC Central Committee on rural reforms for the new year.

At the end of each year since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has always held a rural work conference, and beginning in 1982, it has issued a "Document No 1" each year on the rural reforms. These "Documents No 1" are all from the masses and to the masses. They pool the wisdom and experiences of the masses of peasants, reflect their wishes, and realistically put forth some main tasks as well as relevant regulations and policies for the rural reforms of that year. They enjoy the wholehearted support of the millions upon millions of peasants and rural cadres and have accelerated the development of the rural reforms and agricultural production.

Rural Reform Enters a New Stage

In order to gain a correct understanding of the achievements and significance of China's rural reforms in 1985, it is necessary to review the rural work conference held by the CPC Central Committee at the end of 1984 and the tasks for the reforms put forth by the 1985 "Document No 1" of the CPC Central Committee.

Soon after the 1984 rural work conference began, Wan Li, member of the CPC Political Bureau in charge of rural work and vice premier of the State Council, pointed out that we still lacked experience in organizing the commodity economy. Some old frameworks and old ideas could not suit the needs of economic development. He said that it is necessary to boldly break with those things that may obstruct the reform and to guide agricultural development in accordance with natural law and economic laws. The most important task is to carry out the reform of the rural economic management system.

After listening to a report on the meeting in Zhongnanhai, Zhao Ziyang, member of the Standing Committee of the CPC Political Bureau and premier of the State Council, put forth on behalf of the CPC Central Committee the central task for rural reforms in 1985. He said that since China's rural situation was developing quickly, in order to ensure a comparatively harmonious development of agriculture and better results in agricultural production, it is necessary to adopt the method of opening up and to expand the role of market regulation under the guidance of state planning. It is necessary to make the peasants concerned with the market situation so that they can arrange production in accordance with the demands of society and rationalize the rural production structure. The government must carry out management by means of economic measures. Thus, the rural economy will be further stimulated.

To this end, it is necessary to change the system of state monopoly for purchase and marketing of agricultural products, especially grain and cotton, which has been in effect since liberation.

China's rural reforms were mainly carried out around the core of establishing the system of responsibilities on the household basis with payment linked to output. From then on, China's rural economy entered a new stage of developing commodity production in an all-round way. However, in the course of changing to the commodity economy, there also exist various inharmonious phenomena in the rural economy. For example, rural production cannot suit the demands of the market; although the quantity of products has increased, the quality has not improved and there is little variety, thus obstructing the circulation of commodities; and the distribution of products and the production structure are still irrational. As a result, the superiority of some localities cannot be brought into full play and the backward situation of some poor areas has been changed very slowly.

There are many reasons for all these problems, but an important one is the defects in the state's system of rural economic management. For example, the system of state monopoly in the purchase and marketing of agricultural products played a positive role in the past in ensuring supply and supporting construction. But with the developing of production, its defects are becoming more and more obvious with each passing day. At present, it is affecting the development of commodity production and the increase of economic returns in the countryside.

Since the founding of the PRC, a basically closed management system has been adopted in the countryside. The peasants have been regarded as mere suppliers of agricultural products, and these products have had only one market, that is, the state purchase monopoly. The divorce between town and country and between producers and consumers has resulted in backward commodity production. At the same time, a tremendous labor force has been devoted to the countryside, mainly to the limited cultivated land. As a result, although the proportion of industrial output value in China's total industrial and agricultural output value has increased from 30 percent in the initial period after the founding of the state to the present 70 percent, while that of agricultural output value has decreased from 70 to 30 percent, no changes have taken place in the ratio between urban and rural populations, which is still "2 : 8." Obviously this

is abnormal. This is reflected in agriculture in rather low labor productivity and peasant incomes. About 80 percent of peasants are at level of self-sufficiency or semi-self-sufficiency, and the elasticity of the market is very limited, since commodity agricultural products are only for the consumption of city and town residents, who constitute only 20 percent of the population. When production drops a little, there appears a shortage of agricultural products, but when production increases, these products are difficult to sell. If China continues to follow this path in its agricultural production, the countryside will be unable to truly get rid of poverty and become prosperous. Moreover, with the continuous increase in the rural population, there will be more surplus labor in the countryside. As a result, agricultural labor productivity will continue to drop, peasant incomes will be still lower, and the gap between town and country will be widened. With a low level of productive forces, agriculture will become a short leg of the national economy and will also restrict the development of the entire national economy.

One possible path for us to choose is to consciously harmonize relations between town and country and promote the formation of a comprehensive production sturcture of agriculture-industry-commerce in the countryside. While tapping the internal potential in the countryside and shifting the labor force to forestry, animal husbandry, sideline production, and fishery, it is also necessary to make the portion of the labor force which has become divorced from agricultural production engage in nonagricultural production. Some of it may engage in the secondary and tertiary industries in rural areas or small cities and towns. On the other hand, it is necessary to promote the transfer of technology, equipment, and funds from the cities to the countryside, so as to promote industrialization there. As to agriculture itself, since a large part of the labor force will have been shifted to nonagricultural production, it will be possible for agriculture to expand the scope of production and adopt modern technology. This is conducive to raising its labor productivity, to satisfying the demands of the market regarding the quality and variety of agricultural products, and to increasing the peasants' income and accumulation of funds. Thus, China's rural economy will be able to follow a benign cycle and a path of development which is characterized by great internal motive force, great strength of economic reproduction, and rapid technical progress. In short, following the introduction of the system of responsibilities on the household basis with payment linked to output, and with the problem of food and clothing basically solved, in order to attain the goal of becoming comparatively well-off, we must continue to carry out reform. A key to this is to further reform the rural economic management system.

The new tasks put forth by the CPC Central Committee for the reform provide a vivid picture of the bright prospects for China's countryside. On 1 January 1985, the CPC Central Committee and the State Council issued a document on "Policies for Further Enlivening the Rural Economy," that is, the 1985 Document No 1 of the CPC Central Committee. It clearly pointed out that the central task for rural reforms in 1985 was: "When the phenomenon of everybody eating from the same big pot is overcome, it is still necessary to further reform the rural economic management system and expand the role of market regulation under the guidance of state planning, so that agricultural production may suit the demands of the market, the rural productive structure may be rationalized, and the rural economy may be further enlivened."

Beginning in 1985, reform has been carried out in the system of state monopoly in the purchase of agricultural products, which had been implemented for more than 30 years. Except for a very few products, the state will no longer assign tasks to the peasants in the purchase of agricultural products. The method of purchasing according to contracts and purchasing from the market has been adopted instead. The state monopoly in the purchase of grain and cotton has also been changed into purchase according to contracts.

The reform begun in 1985 symbolizes the completion of the first stage of reform, centering on establishing and perfecting the system of responsibilities on the household basis with payment linked to output, and the beginning of the second stage, centering on further reforming the rural economic management system and promoting the development of commodity production. The 1985 Document No 1 is of great significance in China's history of agricultural development.

Make a Bold Step Forward

The rural reform carried out in 1985 was an important component part of the nationwide structural reform. Recently, when talking about China's urban and rural reforms in 1985, Deng Xiaoping said that this was a bold step forward.

This bold step brought about great and profound changes in China's countryside in that year. The main symbol of this is that the rural economy was enlivened, and began to develop along the path of promoting commodity economy in a planned way.

First, agricultural production has changed from developing mainly in accordance with stage planning, as in the past, and has entered a new stage of developing commodity production according to the demands of the market. Since reform of the purchase and marketing system for agricultural and sideline products, most of the 39 products originally purchased exclusively by the state have been exempted from the system of state monopoly for purchase and marketing. The prices of meat, eggs, tea, and other nonstaple foods now float totally or partly according to market demands. Multichannel management is practised, and the system of purchasing according to contract has been implemented in the purchase of grain and cotton. Thus, the more than 30-year history of the Chinese peasants carrying out production merely to fulfill the tasks assigned by the state has basically been ended. Market mechanism is beginning to control the peasants' production, under the guidance of state planning. The peasants, who knew only till the land and delivering grain to the state for a long time in the past, have now entered a new stage of commodity economy. They have to arrange their labor force and funds and organize production and management according to price signals and market guidance, and have to become "economists," who are capable of observing the market situation and acquiring information from all quarters. This is an important and profound change which will certainly produce a far-reaching impact on the future.

Since 1985, long-term plans and short-term targets for readjusting the production structure have been worked out one after another by various localities in accordance with state planning and market demands. Over the past year or

so, large-scale readjustment has been carried out in this field, which is unprecedented since the founding of the state. For example, the area of grain fields has been reduced by about 70 million mu and has become basically rational, while that of fields for growing industrial crops has been expanded by more than 50 million mu; the area for cotton production has been reduced by more than 27 million mu as a result of the state control and in a planned way; and more than 8 million mu of land has been returned to the original users for developing forestry, animal husbandry, and fishery.

The reform has promoted the development of agricultural production and genuinely invigorated the rural economy. Although the total grain output for 1985 fell by about 50 billion jin over 1984 due to serious natural disasters, it was still as high as that for 1983, and higher than the target set by the Sixth 5-Year Plan. Now the State's granaries are full, and the peasants also have some in storage. Grain prices in the market are stable. Grain supply is fully guaranteed. The ratio of industrial crops to grain has been changed from 17:83 in 1984 to 21:79 in 1985.

Most industrial crops, except for cotton, for which state control targets have been fulfilled (this reduction in output is good for both the state and the peasants because the supply of cotton has exceeded demand), have increased by a big margin. Compared with 1984, it is estimated that oil crops will have increased by 30 percent, sugar crops by 19 percent, flue-cured tobacco by 29 percent, jute by 110.4 percent, and fruit by 6.4 percent, while tea and silkworm cocoons will remain the same as in 1984.

What is more inspiring is that animal husbandry and the aquatic products industry have also caught up. The output of pork, beef, and mutton will have increased by 6.7 percent, and the total output of aquatic products is estimated to have reached more than 6.5 million tons, about 300,000 tons more than that of 1984. The proportion of aquatic breeding in the total output has increased from 30 percent in 1980 to 43 percent in 1985. The per capita consumption of meat over the whole country has increased from 17.9 jin in 1978 to 31.3 jin, while that of aquatic products has increased from 9.7 jin to 12.4 jin. The change in the food structure, the improvement of the nutritional level of food for the Chinese people, and having more meat, eggs, and milk to eat and drink are symbols of transition from the status of having enough to eat and wear to the status of being comparatively well-off.

After carrying out necessary readjustment, production continued to develop in town and township enterprises. It is estimated that the number of employees could have reached more than 60 million in 1985, or 17 percent of the rural labor force, and the total output value of these enterprises will have reached 230 billion yuan, an increase of 35 percent.

In agricultural reclamation enterprises, as a result of the three major reforms, that is, adopting the financial contract system, establishing agricultural-industrial-commercial integrated complexes, and establishing workers' family farms, their total industrial and agricultural output value is estimated to reach 15.9 billion yuan, which is 8 percent higher than the planned target. At the same time, thanks to the readjustment of the industrial structure, a

new development has been achieved in the secondary and tertiary industries. For the first time their output value is higher than the agricultural output value.

The gross social product of China's rural areas is estimated to have reached 488.7 billion yuan. Of this the gross agricultural output value is 368 billion yuan, which is an increase of 9 percent over last year. The peasants' per capita income will have reached nearly 400 yuan, an increase of about 45 yuan.

Since readjusting the rural production structure and abolishing the system of state monopoly for purchase and marketing, there are more channels for commodity circulation and more flexible methods of management. The sphere of circulation has also expanded.

The relations between town and country have been changed from unitary product exchange to joint development of secondary and tertiary industries. Their horizontal economic contacts have been strengthened. More productive forces in the cities have been transferred to the countryside due to the technological transfer. They have established factories and workshops there, as well as all kinds of joint undertakings with the peasants. According to incomplete statistics, the number of peasants engaging in construction and tertiary industrial production in towns and cities has reached about 20 million.

It can be said that after the second step of rural reform in 1985, China's rural economy has greater vigor for development and the peasants, who have been granted more decisionmaking power in production and management, have more enthusiasm and initiative in production. The development of the rural economy is just in the ascendant. All this is the result of the reform and the result of the "first battle" in 1985.

Tasks for Reform in 1986

The rural work conference held by the CPC Central Committee at the end of 1985 set a general demand for rural work in 1986. Summed up, this general demand is to firmly implement the strategic policy emphasizing agriculture as the basis of the national economy, to further implement various policies worked out by the CPC Central Committee while making continuous efforts to promote the second stage of reform in the countryside, and to promote the steady and harmonious development of the rural economy by improving conditions for agricultural production and pre- and post-production services.

According to this general demand, we must make further advances in the new year and further consolidate, strengthen, and supplement the achievements scored in the second step of rural reform. We must preserve advantages and eliminate defects and pay sepcial attention to solving some major problems which have appeared in the course of reform so that better results can be achieved in the reform started in 1985. At the same time, we must conscientiously carry out investigation and study so as to make preparations for new advance in the second step of rural reform.

After reviewing the situation and achievements in the rural reform in 1985, it will be easier for us to understand the tasks for the reform in 1986. The tasks put forth by the 1985 "Document No 1" were not merely for the reform in that year, and the further reform of the rural economic management system can by no means be completed in a day or two. Take the reform of the system of state monopoly in purchase and marketing for example: To thoroughly change the system of purchase and marketing of agricultural products practiced for more than 30 years is a great reform involving the overall situation. For instance, although the traditional system of purchase and marketing of grain has been abolished and replaced by the contract system, the new system is still quite imperfect. In addition, there are still defects in the state's system of allocating grain, and the price differences between grain and other agricultural and sideline products are still not sufficiently rational. Thus, in some places, the initiative of the cadres and peasants in growing grain has been dampened, because they get lower economic returns from growing grain than from growing other industrial crops and the peasants who grow grain get less income than those who engage in industrial and sideline production.

The new problems emerging in the course of reform can be solved only by the method of reform. We must not reverse our steps whenever we meet with problems. For example, we must not resume the system of state monopoly for purchase and marketing of grain, but can only make further efforts to perfect the "contract system." We need some time to gradually perfect the "contract system" and make it a complete economic contract system. Provided we attach importance to the problems emerging along this path, we will surely be able to solve them step by step through the method of reform. In order to ensure that grain output can reach 900 billion jin in 1990, the party and the state have attached great importance to mobilizing the initiative of the peasants. Apart from gradually perfecting the contract system for purchasing grain, they also require various localities to sum up and popularize the experiences in making industry supplement agriculture and have decided to start the reform of the system of grain allocation as of 1986. In addition, it is also necessary to reform the circulation system, to organize commodity services, to reform the financial system, and to perfect the cooperation system. The tasks for reforming the rural economic management system are arduous and complicated.

The reform in the circulation sphere is also a central task for the rural reform in 1986. Experiments will be carried out in 1986 to explore this field so as to make preparations for greater advances in the next step. We can run some transregional and transdepartmental commercial enterprises on a trial basis, integrating industry and agriculture, agriculture and commerce, or industry, agriculture, and commerce. For example, vegetable-growing areas and the commercial departments of consumer cities may establish integrated companies so that vegetables can be transferred directly from the production areas to the cities for distribution. We must also carry out experiments on socialization of commercial service facilities. The warehouses, cold storage facilities, and vehicles of the commercial departments must be geared to the needs of society. Those who use these facilities must pay rent. Thus, the utilization rate can be increased.

In 1986, the party and the state will adopt a series of measures to encourage the rural areas to further readjust the production structure and develop commodity production. For example, the investment by the state and governments at all levels in agriculture will be appropriately increased, the development of town and township enterprises will be encouraged so that a harmonious development of agriculture and rural industry may be achieved, and further efforts will be made to help poor areas develop their economies.

To sum up, the rural reform is now developing more profoundly and in a broader sphere. Provided party leadership is strengthened, reform is continued, and further advances are achieved, a new rural economic management system suited to the new situation of development of the rural commodity economy will surely be created by the practice of millions upon millions of peasants, the countryside will surely become more prosperous, and we will surely be able to blaze a new trial of developing socialist agriculture with distinctive Chinese characteristics.

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GOALS OF RURAL RESTRUCTURING DISCUSSED

Beijing JINGJI RIBAO in Chinese 14 Dec 85 pp 1, 2

[Article by Wang Guichen [3769 6311 1368] and Zhang Baomin [1728 0202 3046]: "On Goal Patterns in Transforming China's Rural Industrial Composition"]

[Text] I. Change the "Lopsided" Industrial Pattern and Establish an "Overall Coordinated" Structure

China's "lopsided" rural industrial composition, which emphasizes agriculture and cultivation, was formed historically. In the 30 years since the founding of the People's Republic of China this composition has experienced almost no change. Calculated according to output value, as of 1978 agriculture accounted for 69.5 percent of all rural industry; cultivation represented 76.7 percent of agriculture; and grain comprised 76.7 percent of cultivation. After the 3d Plenum of the 11th CPC Central Committee, restructuring the rural economic system promoted the development of rural specialization, commercialization, and socialization, and at the same time it had an impact on the intrinsic rural industrial composition, initiating structural change therein. From an emphasis on grain production alone, there began to be a change first toward simultaneous emphasis on cash crops and then toward development of a new fodder-crop system; from sole concern for planting and production, there began to be a change toward simultaneous efforts at comprehensive development of all five fields, including forestry, animal husbandry, sidelines, and fishery; from rural involvement only in agriculture, there began to be a change toward a composite economy involving agriculture, industry, commerce, transport (conveyance services), construction (building trades), and services (service trades).

However, these kinds of changes are still tentative and gradual. From the composition of output value we can see that by 1984, grain, cultivation, and agriculture accounted for 66.2, 68.6, and 63.2 percent, respectively, of the three composition levels, but they still had not distanced themselves far from the 70-percent demarcation line. A look at labor composition reveals that 85 percent of the rural labor force is engaged in agriculture and only 15 percent is engaged in non-farming occupations. Right now there is an agricultural labor surplus of about 100,000 workers, for whom an employment organization is badly needed in new industries. Consequently, we are of the opinion that no

fundamental change has taken place in the "lopsided" emphasis on agriculture in the rural industrial structure.

Rural industrial composition is the makeup or constitution brought about in each rural industrial sector according to fixed patterns. Rational composition in a particular historic period should reflect the following features: full and rational use of natural and economic resources under the level of productive forces at the time; organic integration of good traditional techniques and advanced techniques; coordinated development among industries; provision of a balance between possibilities and social requirements (domestic and foreign trade factors should be considered here); and great effort to achieve a unification of economic, ecological, and social results. However, the major goal sought in industrial composition is economic growth; consequently the greatest objective in restructuring the rural industrial structure is to achieve the best possible economic results given the greatest possible fulfillment of ecological and social needs. The present rural industrial composition just cannot meet the above requirements, so the "lopsided" composition pattern must be changed and we must establish an "overall coordinated" structure.

II. Recognize Two Basic Trends and Master Two Proportional Relationships

Composition has its own laws of development. However, we have a significant influence on both the degree to which objective laws are recognized and on compositional development. Consequently, we must not only study the patterns of compositional change, we must particularly study the higher level problems that influence compositional change: that is, we must study the basic trends and patterns of rural development.

A look at the route followed by economically developed nations and the route being followed by the majority of developing nations reveals the existence of two historic trends. One is de-agrarianization: the shift from a farming population to a nonfarming population; the other is urbanization in rural areas where the economy is relatively concentrated. From statistical data on various nations we can discover that the proportion of farmers in the total population and the ratio of agricultural labor force to total labor force are inversely proportional to per capita national income. China's agricultural labor force accounts for over 70 percent of the total national labor force and 85 percent of the rural labor force, proportions which are among the highest in the world. At the same time, China's per capita income is among the few lowest on earth. The shift of the agricultural labor force toward nonfarming industries is not only an objective trend, it is also a practical necessity for realizing vigorous economic development. Agricultural labor that shifts to nonfarming industry primarily becomes engaged in secondary and tertiary industries. The development patterns for secondary and tertiary industries themselves require relative concentration, so rural urbanization, like de-agrarianization, is an unstoppable objective trend. Some small cities and many townships and market towns will develop and become bearers for the transformation of the rural labor force and the growth of secondary and tertiary industries.

As described above, the basic trend of development in rural industrial composition and rural labor force composition is a progressive increase in the proportion of secondary and tertiary industries and a gradual decline in the proportion of agricultural labor. However, the major unresolved question facing us is how to determine the rates and proportions of increase and decline. After studying numerous domestic and foreign data, the institute task force on "The Study of China's Rural Industrial Composition" suggested that the following proportional relationships exist among rates of increase in the three levels of rural industry: for each 1-percent increase in primary industry (agriculture) there is a 2- to 2.3-percent increase in secondary industry and a 2- to 2.2-percent increase in tertiary industry. At the same time it was discovered that an interrelationship also exists between the rate of agricultural labor productivity and the transformation of the labor force: for each 1-percent rise in agricultural labor productivity there is a 2-percent increase in the labor shift toward nonagricultural industry. The discovery of these two proportional relationships resolved two major problems in compositional research. First, it explored a new route for resolving the quantitative relationship of coordinated growth among industries, allowing analysis of this coordinated growth to move from a qualitative stage into a quantitative stage. Second, it resolved the problem of how to make agriculture the foundation for compositional readjustment: growth among secondary and tertiary industries must be made on an agricultural base, and an increased agricultural labor productivity rate must be a precondition for the transformation of the labor force. That is to say, agriculture is not only the foundation for the national economy, it is also the foundation for restructuring industrial composition. Under the condition that we ensure stable agricultural growth, a grasp of these two proportional relationships will allow us to achieve a certain level of fairly rational industrial composition.

III. Establish the Right Goal Pattern and Implement Effective Policy Measures

Due to economic growth in recent years and to the fact that we have entered a new historic phase in the Chinese countryside, the years from 1986 to 2000 will be a period of major, significant change. What growth will occur in the next 15 years? We are still faced with three choices: The first is to merely intensify agriculture and go the route of rural concentration on farming and peasant concentration on supplying foodstuffs to the cities. The result would be to repeat a journey we have made before, in which farmers labor under straitened circumstances, income is low, and the gap between city and countryside grows wider with time. This is incompatible with the socialist goal of common national prosperity, so we definitely cannot take this route.

The second choice is to maintain the present course, in which certain regions develop rural industry as rapidly as possible. This might bring about a situation in which funds, energy, and tertiary industries are out of sync with each other, so it cannot be sustained either.

The third choice is to follow a path of coordinated development among the various industries. That is to say, on a foundation of stable growth in primary industry, we should actively develop secondary and tertiary industries. The coordinated development of primary, secondary, and tertiary

industries will form a relatively rational, "overall coordinated" industrial composition. We should establish this third route as the goal pattern for development in rural industrial composition. This course will not unfold rapidly but it will have sufficient staying power. Peasant incomes can increase steadily and a comfortable standard of living can basically be achieved.

Based on projections from the above pattern made by our task force on industrial composition, by the year 2000 a historic change will be realized in rural industrial composition. Agricultural output value will decline from the current 70 percent to 40 percent of that composition, secondary and tertiary industries will increase from their current 30 percent to 60 percent, and the "lopsided" structure will be fundamentally readjusted. Moreover, it will lay a foundation for continued restructuring of rural industrial composition and construction of a new, modern countryside in years to come. The distribution of the rural labor force among the three levels of industry is approximately 5:3:2. When the time comes, the urban-rural population ratio will change from the current 20 percent urban-80 percent rural, to a ratio of 40 percent urban-60 percent rural, and the population engaged in agriculture will decline from the present 80 percent to 30 percent. At long last China will bring to a close its history of overwhelming majority in the farming population. One-third of the rural population will live in townships and the gap between urban and rural will narrow further.

However, achieving a historic transformation of industrial composition is not an easy thing to do. We must put into practice a number of significant, effective policy measures. The following few are indispensable: (1) We must continue to strengthen the agricultural base; without stable growth in agriculture the goal of readjusting rural industrial composition is unachievable. Within agriculture we must place particular emphasis on grain production; without stable growth in grain production there can be no stable growth in agriculture. (2) We must make development of secondary and tertiary rural industries the focus of compositional readjustment, and we must particularly stress the development of circulation, communications, and education. (3) We must make full use of pricing, credit, and tax leverage to intensify macroeconomic and microeconomic regulation. (4) We must persist in our policy of unity among the state, the collectives, and individuals, and, under the precondition of preserving household operations, we must actively develop all forms of cooperation and alliance. (5) We must implement a policy of labor force fluidity between city and countryside, break out of closed situations and allow labor, funds, and technology to attain their optimal compositions through circulation. In major cities there must be unidirectional control, in medium-sized cities limited control should be practiced, and in small cities and below there should be complete freedom of movement. (6) In a planned, step-by-step fashion, we must construct a large number of small cities and towns in order to create the conditions for compositional readjustment.

12510
CSO: 4007/149

RURAL, AGRICULTURAL TAX POLICIES DISCUSSED

Rural Tax Principles, Features

Beijing NONGMIN RIBAO in Chinese 18 Nov 85 p 2

[Article by Zhong Hechu [6988 0735 2806]: "Major Features and Principles of Rural Taxation in China"]

[Text] Rural taxation is not a single tax category. It generally refers to agricultural taxes, livestock taxes, collective-enterprise income taxes, slaughter taxes, livestock trading taxes, collective transaction taxes, and contract taxes. These taxes may be levied on rural cooperative economic organizations, village enterprises, independent rural industrial and commercial enterprises, or individual farmers.

As for the various taxes levied on the countryside, in order to conform to special rural circumstances and to the state's rural economic policies, it is frequently necessary to formulate separate, special methods for imposing them based on uniform stipulations in the above-mentioned tax categories, or to make relevant special stipulations. This shows the distinction between rural taxes and the various taxes levied on cities. Consequently, the rural tax category was established.

I. The Major Features of Rural Taxation

A look at the actual state of rural taxation in China reveals the following major features:

A. Rural taxation covers a broad range and involves a large number of jobs. There are currently more than 80,000 townships, 8.7 million-plus villages, 185 million-plus rural households, and 830 million-plus people in the Chinese countryside. Some are engaged in agricultural, forestry, animal husbandry, sideline, and fishery production, and some are engaged in industrial and handicraft production; some are engaged in communications, transportation, and service trades, and some operate commercial enterprises; some run factories or open shops in the cities or suburbs and some set up stalls in market towns and villages. In addition to collective enterprises there are also a great number of sideline operations run by contract specialized households, independent specialized households, and individual farmers. They are found all over the

countryside and all are industrial and commercial taxpayers. These features--a dispersed tax base, a broad range of taxation, and a large number of jobs--form a sharp contrast to the large tax base, strong occupational nature, and relatively concentrated range of urban taxation.

B. Rural taxation has a bearing on peasant production and peasant living standards, and this is strongly based in policy. Agricultural production is not sufficiently developed in China and peasant living standards are still rather low. In order to expand production in agriculture, forestry, animal husbandry, sidelines, and fishery, stimulate the rural economy and allow the 800 million peasants to reach prosperity step by step, the party and the State Council have formulated a series of economic policies, adopted several measures and promoted the development of a diversified economy. In the wake of production growth in agriculture, forestry, animal husbandry, sidelines, and fishery, there is concomitant further expansion in agricultural taxation. Levying taxes on rural cooperative economic organizations, village enterprises, and farmers has an impact on the correct handling of distribution problems among the state, the villages, and individual farmers, and it also has a bearing on the strength of the worker-peasant alliance and on the stability and unity of 800 million peasants. Its requirements are both to encourage normal, healthy development of village enterprises and to restrict their reckless operation; both to encourage peasants to develop timely household sideline occupations that stimulate the rural economy and to restrict them from spontaneous actions that benefit individuals and collectives alone, ignore state interests or upset the state's planned economy. Consequently, the state's imposition of taxes on rural cooperative economic organizations, village enterprises, and farmers has an enormous impact on agricultural production and peasant living standards, and it is strongly based in policy. This is somewhat different from urban taxation, which primarily involves the relationship between the state and the internal workings of state-run enterprises.

II. The Major Policy Thrust of Rural Taxation

The overall policy thrust of rural taxation is to give consideration to state, collective, and individual interests alike, to strengthen the worker-peasant alliance, to aid the growth of the rural collective economy, and to help the state organize revenues and purchase farm and sideline products. The tax burden must be compatible with the actual rural situation and tax collection procedures must be as simple and easy as possible.

In different historic periods rural tax policies were all subordinated to the political and economic policies of the party and the state, serving the political and economic ends of those different historic periods. Prior to the cooperativization of the countryside, rural taxation primarily followed the party's general line for the transition period, supported the socialist transformation of the individual farmer, and encouraged adoption of the route to cooperativization. After the cooperativization of the countryside, in order to conform to the new rural economic situation and consolidate and develop the collective economy, a lenient attitude was adopted in rural taxation toward three categories: rural products produced by individuals for private use, sales of goods that were either in excess of or not required for

state monopoly or assigned procurement, and goods and services directly aimed at agricultural production or peasant living standards. As for taxable farm, forest, livestock, and aquatic products sold to the state commercial sector, it was stipulated that the purchasing department pay the taxes and the seller not be taxed. When rural people's communes were initiated, in order to aid the collection and accumulation of funds and speed up the development of the rural collective economy, the state by and large did not impose industrial and commercial income taxes. After the 3d Plenum of the 11th CPC Central Committee, the state further adopted lenient, low tax policies in a major effort to foster the growth of a collective enterprise rural economy.

Agricultural Tax Substance, Policy

Beijing NONGMIN RIBAO in Chinese 22 Nov 85 p 2

[Article by Zhong Hechu: "Substance and Policy in Agricultural Taxation in China"]

[Text] Agricultural taxation is a category of taxes imposed by the state on all units or individuals engaged in agricultural production and earning income therefrom. It is one means by which the state obtains revenues in accordance with tax laws, and it is one form whereby the state has a hand in distributing national income from the agricultural sector and in organizing revenues.

I. The Substance of Agricultural Taxation

By the "substance" of agricultural taxation, we primarily mean the scope and targets of agricultural taxation.

A. The Scope of Agricultural Taxation

The scope of agricultural taxation refers to the calculation of taxable agricultural income. According to the Agricultural Tax Regulations and the relevant State Council stipulations, the following agricultural income should be calculated as taxable agricultural income: (1) Income from cultivation of grain and sweet potato crops; (2) Income from cash crop cultivation, including cotton, fiber crops, tobacco, oil-bearing crops, and other cash crops; (3) Income from specialty farm and forest products, including horticultural crops like fruit, tea, mulberry, ornamental flowers and plants, nursery stock, and medicinal materials; bamboo, timber, natural rubber, tussah sericulture, wood oil, raw lacquer, and other forest products; and products bred in freshwater or on floodplains; (4) Other income stipulated or approved for agricultural taxation by the State Council.

B. Targets of Agricultural Taxation

According to tax law stipulations, units and individuals engaged in agricultural production and earning an income therefrom are all agricultural taxpayers.

Taxpaying units refers to units counted for the collection and payment of agricultural taxes. China's Agricultural Tax Regulations stipulate that agricultural production cooperatives and other cooperatives that are simultaneously engaged in farming must consider the cooperative to be the taxpaying unit. After the establishment of people's communes, the production team of the basic accounting unit was considered the taxpaying unit in actual practice. Now, different forms of production responsibility system have been implemented in the countryside, and to adapt to this situation different methods should be adopted for agricultural tax payment. Cooperative economic organizations that practice centralized accounting and distribution should make the collective the taxpaying unit, and separate households that farm under contract, whose total taxes do not change, can each pay agricultural taxes separately based on their contracts.

II. Policies of Agricultural Taxation

China has the following major policies for imposing agricultural taxes:

A. Policy on Tax Burden Stability

Since the founding of the People's Republic of China we have practiced a policy requiring a stable agricultural tax burden. For example, the Agricultural Tax Regulations stipulate that "After the average-year yield is assessed, if the yield per unit of area is increased in the next 5 years through diligent cultivation or through improved management, the average-year yield should not be increased, nor should it be decreased if the yield per unit of area drops due to negligent cultivation."

B. Policy on Tax Burden Rationality

China practices a policy requiring an equitable and rational agricultural tax burden. The principle behind this policy of rationality is that those who have a higher income should have a greater tax burden and those who have a lower income should have a smaller tax burden. This allows agricultural taxation to adapt itself to the real encumbrance capacities of different regions and different taxpayers.

C. Policy on Unified, Proportional Taxation

Implementing a policy of proportional taxation in the agricultural tax levy helps to protect some peasants and encourage them to work to aquire wealth one step sooner, thus spurring on overall rural economic growth and bringing rapid and widespread prosperity to the peasantry.

D. Policy on Tax Exemption and Preferential Treatment

This refers to preferential treatment allowing agricultural tax reduction or exemption given the precondition that there are safeguards against soil and water erosion and that the ecological balance is protected.

E. Policy on Tax Reduction or Exemption in Disaster Situations

Disaster situation reductions or exemptions are allowances made on agricultural taxes in consideration of taxpayer crop failures due to flood, drought, wind, frost or other natural disasters. The amount of agricultural tax reduction or exemption is decided based on the degree of crop failure. The principle is as follows: "Small reductions for minor disasters, large reductions for major disasters, and total exemption for extraordinarily severe disasters." The specific means of reduction or exemption can only be arrived at with reference to the size of the crop failure, so it is set by the people's government of each province or autonomous region.

6. Policy on Social Reductions and Exemptions

Agricultural tax policy on social reductions and exemptions includes the following features: (1) Those rural inhabitants who lack labor power because they are dependents of revolutionary martyrs or are disabled servicemen, and who for this or some other reason have difficulty paying taxes, may be granted special agricultural tax reduction or exemption upon approval of the county people's government. (2) Under the precondition of a pledge to carry out tax reduction and exemption regulations and to fulfil tax collection duties, the people's government of a province or autonomous region may decide to specially reduce peasant agricultural taxes in revolutionary veteran bases where straitened production and living situations still prevail and in barren mountain regions where transportation is inconvenient, production is backward, and peasant living standards are poor.

12510
CSO: 4007/147

NATIONAL

GRAIN PRODUCTION LOANS TO RECEIVE PRIORITY

OW241328 Beijing XINHUA in English 1305 GMT 24 Jan 86

[Text] Beijing, January 24 (XINHUA)--Priority in rural loans this year should go to grain production, the Agricultural Bank of China suggested today.

A draft proposal circulated at a meeting of representatives of the bank's 36 branches also said loans should support farm enterprises willing to adopt advanced technology for grain production as well as those aiming at increasing grain output, improving quality or more efficient grain processing.

Informed observers of Chinese agriculture here said the bank's proposal to give lower priority to prospering rural industry and commerce seems in line with recent statements by Chinese leaders that grain production must be central to rural economic policies.

Although the bank said it wants to emphasize grain production this year, it also proposed continued support for forests and for animal and fish resources in rural areas. And it called for aid to the poorest rural areas to increase commodity production. An annual sum of 300 million yuan would be earmarked for this purpose in the five years from 1986 to 1990.

The proposal said forestry loans should favor cultivation of young and medium-aged trees and animal husbandry loans, the improvement of pastures. It said support should be given to all export production, to development of fine breeds, such as lean-meat pigs, and to freshwater fish-farming and the breeding of prawns, scallops and other precious fish in coastal areas.

Also on the bank's agenda were loans for development and retooling of rural industrial enterprises--especially those making building materials or processing farm, forestry, animal husbandry or fishery products--and for construction of small mines and hydroelectric power stations.

Specializing in rural finance, the state-owned agricultural bank has 36 branches, more than 2,000 sub-branches and more than 27,500 service centers, which accept deposits and provide loans.

China also has more than 420,000 rural credit cooperatives coordinated by the agricultural bank but responsible for their own profits and losses.

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CSO: 4020/192

LESSONS IN AGRICULTURAL READJUSTMENT REVIEWED

OW231251 Beijing XINHUA Domestic Service in Chinese 0203 GMT 18 Jan 86

[Article by reporter Shao Yongli]

[Text] Beijing, 18 Jan (XINHUA)--The marked successes the nation has achieved in adjusting farming operations in the course of restructuring the agricultural economic system have provided ample practical experience for carrying out the second stage of reform with the development of commodity production as the main objective.

The nation's marked successes and experiences in adjusting farming operations over the past several years include adjusting the ratio between cereal and economic crops, reducing grain acreage, expanding the acreage of economic crops, reforming the irrational farming system, and adjusting crop varieties as well as making rational farming plans. These successes and the higher prices for farm produce have given the peasants greater incentive to produce; increased the output of food grain, cotton, oil-bearing crops, and sugar; and expedited agricultural growth and the improvement of the peasants' living standard.

The major successes achieved in various parts of the country in adjusting farming operations are as follows:

The relationship between farming and forestry, animal husbandry, sideline occupations, fishery, industry, commerce, construction, transportation, and other services has been handled correctly. By integrating farming, breeding, and processing undertakings, and by integrating agricultural, industrial, and commercial operations, many localities have coordinated the links between farming and various other endeavors, thus bringing about a good agricultural production cycle and promoting commodity production development.

The relationship between cereal and economic crops has been handled correctly. In recent years, guided by the principle of "never relaxing grain production while actively promoting economic diversification," all localities have correctly handled the relationship between operations in these two areas. While planning the layout for crops, they have generally taken the possible increase of total grain output into account, thus expanding the economic crop acreage on the basis of ensuring a steady increase of grain output. This principle has ensured constant readjustment of the rural economy and its steady development.

The relationship between farming acreage and increasing unit output has been handled correctly. According to the experience of various localities, this is essential for adjusting the relationship between cereal and economic crops. Because of the country's limited acreage, which averages only 1.4 mu per capita, it is essential to increase the unit output of all crops and use land resources more efficiently, and to consider current policies, availability of capital and technical know-how, market demand, and natural disasters before expanding or reducing acreage so as to ensure the total output of grain and of various economic crops as well as meet the people's growing needs.

The relationship between quantity and quality of farm produce has been handled correctly. Presently it is essential to satisfy the people's needs in terms of quantity; farm products of good quality are in demand by foreign and domestic markets. While ensuring the output of farm produce, many regions have also been making positive efforts to improve the quality of their products and increase the output of all types of farm produce. The production of farm produce of low quality has been decreasing every year.

The relationship between working according to natural law and working according to economic law has been handled correctly. With the nation's self-sufficiency in agriculture being gradually replaced by production of goods of commodity quality, an increasingly wider area has been placed under the control of economic law. The experience of many localities shows that while it is necessary to make full use of all regions' natural conditions, it is more important to consider the types of products to be produced, the size of production, and the speed of growth so as to ensure overall economic superiority in which advantages in natural conditions rank next to advantages in output of quality commodities.

The relationship between commodity production and processing, storage, marketing, capital, and technical know-how has been handled correctly. In recent years, the changes taking place in the development of commodity production in the rural areas and in market demand have given the farming sector further impetus to explore new areas of development. Therefore, all localities, while considering what should be developed and what should be curtailed and how much growth there should be in the course of adjusting their operations, have made it a practice to consider other related issues, such as processing, storage, marketing, and availability of capital and technical know-how so that production and other related matters can be dealt with at the same time.

The relationship between exercising overall control and stimulating local initiative has been handled correctly. Socialist commodity economy is a planned one. In the course of adjustment, the local authorities, while respecting the peasants' authority to make their own decisions and stimulating their initiative, have also used the necessary executive means to guide them to follow plans and exercised overall control by using such economic levers as prices, loans, and taxes. Meanwhile, they have made sure that planned control and tobacco, which have a high marketability rate, yield relatively high income, and whose prices have been decontrolled.

The relationship between economic results and social and ecological effect has been handled correctly. While achieving better economic, social, and ecological

results is a composite target in adjusting farming operations, some localities have attached great attention to economic results at the expense of social and ecological effect. As a result of reducing investment in their land, soil fertility has been decreasing and irrigation facilities have been left unattended, leading to decreasing economic returns. In the course of adjustment, the relationship between the state and peasants, between economic reproduction and natural reproduction, and between immediate interests and long-range interests must be fully taken into account, so that adjustment can proceed scientifically and rationally.

Examining these experiences, many agricultural departments are of the opinion that, while great successes have been achieved in adjusting farming operations, much work still has to be accomplished before the outmoded farming operations can be replaced by a new structure in which farming operations are compatible with the development of commodity economy. They maintain that we must continue to make efforts, to sum up experience, and to make bold attempts so as to create a new situation.

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CSO: 4007/223

NATIONAL

SALES VOLUME, INCOME FOR 3RD QUARTER 1985 REPORTED

Beijing JINGJI RIBAO in Chinese 9 Dec 85 p 1

[Text] Editor's Note. The rural sampling survey team of the State Statistical Bureau recently conducted a sample survey of more than 62,000 rural households in 846 counties throughout the nation. Results show that this year after the deregulation of prices, the sales volume of all agricultural and sideline products by peasants and their cash income have greatly changed.

Per Capita Sales of Agricultural and Forestry Products

Product	Sales in 3rd Quarter of 1985		Increase, Decrease Compared to Same Period Last Year (%)
Grain (Unprocessed)	volume(shijin)	74.84	-16.9
	value(yuan)	15.95	-4.5
Cotton	volume	0.95	-52.5
	value	1.08	-88.3
Oil	volume	3.96	+36.6
	value	1.99	+42.1
Hemp	volume	0.61	+22.0
	value	0.58	+190.0
Sugar	volume	0.37	-26.0
	value	0.03	--
Tobacco	volume	3.29	+13.5
	value	2.96	+18.4
Vegetables	volume	20.80	+5.1
	value	2.45	+36.1
Melons	volume	18.95	+49.2
	value	1.68	+68.0
Fruit	volume	4.04	+12.2
	value	1.05	+75.0

Product	Sales in 3rd Quarter of 1985		Increase, Decrease Compared to Same Period Last Year (%)
Tea	volume	0.15	+50.0
	value	0.19	+90.0
Saplings	volume(#)	0.90	-25.0
	value	0.07	--
Per Capita Sales of Meat Products			
Pork	volume	35.59	+15.8
	value	42.34	+31.5
Beef	volume	0.90	-25.6
	value	3.06	+56.9
Lamb	volume	0.88	-17.7
	value	1.33	+6.4
Poultry	volume(#)	1.62	+9.5
	value	5.50	+100.0
Rabbit	volume(#)	0.07	-12.5
	value	0.43	+79.2
Sales of Fish and Sideline Products Per Household			
Eggs	volume	5.39	+29.9
	value	6.06	+41.9
Milk	volume	2.38	+18.4
	value	0.50	+47.1
Fish and Shrimp	volume	4.24	+161.7
	value	4.32	200.0
Sheep's Wool	volume	2.56	+246.0
	value	1.38	+15.0
Rabbit Fur	volume	0.04	+300.0
	value	2.06	+930.0
Silkworm Cocoons	volume	1.71	+28.6
	value	2.29	+10.1
Honey	volume	0.13	+8.3
	value	0.13	+18.2

CSO: 4007/222

PRC TO BOOST OCEAN FISHING TO PRESERVE INSHORE RESOURCES

HK240443 Beijing CHINA DAILY in English 24 Jan 86 p 1

[Article by Xu Yuanchao]

[Text] China's fishing industry is to shift its emphasis from inshore to ocean fishing in a bid to protect inshore aquatic resources during the Seventh Five-Year Plan, said a senior official of the China National Fisheries Corporation.

The first Chinese ocean-going fleet, operating off the West African coast, has caught more than 4,000 tons of fish since it left China last March, Xu Honggang, the corporation's deputy manager, told CHINA DAILY.

Nearly 2,000 tons will be shipped to China and sold fresh on domestic markets to meet the rising demand during the Chinese Spring Festival. But a small proportion of the catch will be exported, Xu said.

The fishing project involved cooperation agreements and contracts with Senegal, Sierra Leone, Guinea Bissau and Spanish Las Palmas. The Chinese fishing fleet was in competition with ships from the Soviet Union, Japan, Spain, South Korea and others.

"We lack experience and our fishing facilities are poor, but we would like to develop ties in fishing with other countries. Up to now, more than 40 countries, including the United States and Japan, have expressed interest in cooperating with us," Xu said.

Three other Chinese ships are now operating in the Bering Sea, off Alaska. The fleet is to enter Alaskan waters under the fishing agreement signed last July during President Li Xiannian's visit to the U.S.

But the fleet will not go to Alaska until the U.S. authorities have set fishing quotas, which are still being discussed. "We don't expect to go to Alaska before March," Xu said.

The three 3,000-ton vessels, imported from the Federal Republic of Germany, are owned by fishing companies based in Dalian, Shanghai and Yantai. The fleet left China late last year and sailed to the Bering Sea after fishing in waters near Hokkaido, Japan.

Although China has fishing agreements with the U.S. and Japan, cooperation has not been on a large scale. China's cooperation with Japan is confined only to the processing industry and staff training.

Xu said China would expand cooperation with African countries and South Pacific nations. The country would continue to introduce up-to-date fishing facilities and vessels from abroad.

Last year, China caught 3.5 million tons of fish, more than 80 percent from individual fishermen and the rest from the state-owned fishing companies.

There are 17 large fishing companies based in 10 coastal cities and provinces whose total output was 600,000 tons last year. Losses were incurred in most state-owned enterprises, which plan to shift from offshore to ocean operations.

"We will not increase domestic output this year, to protect the exhausted aquatic resources in the Bohai and East China Seas, where prawns, yellow croakers and hairtails are strictly protected," Xu said.

Authorities would take strong measures to prevent individual fishermen from fishing the protected areas, he added.

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CSO: 4020/193

STATE COUNCIL STRENGTHENS TOBACCO MANAGEMENT

OW200024 Beijing XINHUA Domestic Service in Chinese 1610 GMT 18 Jan 86

[Text] Beijing, 18 Jan (XINHUA)--The State Council recently issued a circular changing the State Tobacco Monopoly Administration into a bureau directly under State Council control.

In a bid to rationalize tobacco distribution, arrange planned production, avoid blind development, ensure production quality, and raise economic benefits, the State Council also decided to further strengthen unified management in the tobacco industry and instructed the China National Tobacco Company to fulfill the task of implementing unified management in supply and marketing and in import and export in tobacco industry.

The State Council's circular pointed out: During the Seventh 5-Year Plan period, the State should give capital, material, and policy support enabling the speedy development of Grade-A rolled tobacco. The state should also try to eliminate the contradiction between supply and demand and try to withdraw more currency from circulation so as to accumulate more capital for the country. The various areas and departments concerned should all provide support.

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CSO: 4007/216

LI PENG ADDRESSES METEOROLOGICAL MEETING

OW161051 Beijing XINHUA Domestic Service in Chinese 1329 GMT 14 Jan 86

[Article by reporter Cui Lisha]

[Text] Beijing, 14 Jan (XINHUA)--Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, said this afternoon that China has made gratifying strides in the past 2 years in meteorological modernization and that meteorological departments are ahead of all other trades and professions in adopting electronic technology and developing and using microcomputers. The goal of modernization for the future is to further perfect the microcomputer system, obtain more software, and speed up the construction of key projects, including that of medium-range weather forecasts and satellite meteorology.

Li Peng made the statement at the national conference of meteorological bureau directors. He said: The most significant progress made by meteorological departments in the past few years has been in the area of meteorological modernization. Many units across the country are now equipped with microcomputers, but they have not caught up with some developments in the application of microcomputers. On the other hand, meteorological departments have applied microcomputers in actual work and achieved the objective of raising work efficiency and quality. They have paved the way for meteorological modernization with Chinese characteristics.

Li Peng highly praised the meteorological departments for the important role they played last year in fighting natural disasters and serving agriculture. He said: In 1985, China experienced relatively more grievous natural disasters with the north hit by floods and the south by drought. The meteorological departments made timely and accurate forecasts in all cases, and won commendations in 17 provinces and municipalities. In the fight against the Liao He floods in particular, they played a role of key importance by providing accurate information enabling the concerned departments to make decisions and the reduction of losses caused by the floods.

Li Peng fully approved the reform carried out by the meteorological departments, which, in addition to stepping up their community-oriented services, enabled them to actively develop specialized and paid services. He felt that this reform has expanded the meteorological departments' areas of service,

heightened their sense of responsibility, increased the usefulness of their services, and raised their work performance and the quality of their forecasts. At the same time, it has brought additional income, which has been beneficial for the departments' own development.

Today Li Peng visited the exhibition on the development and application of microcomputers by China's meteorological departments, showing great interest.

The national conference of meteorological bureau directors opened at the State Meteorological Administration in Beijing on 8 January. The conference has reviewed the achievements made by meteorological departments in 1985 in carrying out various reforms and meteorological services, meteorological modernization, promotion of spiritual civilization, and in other areas, and made arrangements for their work in 1986.

The conference will close on 16 January.

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CSO: 4007/223

BRIEFS

WEATHER 'NOT GOOD' FOR FARM PRODUCTION--Beijing, January 23 (XINHUA)--The present weather is not good for China's farm production, the national meteorological bureau predicted here today. The weather in most parts of China turned warmer, with less rain and snow in mid-January than in the same period of previous years, the bureau analyzed. The country was dominated by a westerly wind, which stopped the normal cold polar current from affecting China, and a warm front to the north. The average temperature was one to three degrees centigrade higher than usual. It is four to five degrees centigrade higher than the normal January period in the Xinjiang, Inner Mongolia and Guangxi Autonomous Regions, and Liaoning and Guizhou Provinces, the bureau said. According to the weathermen, between January 11 and 16, the temperature in northeast China went up by 12 degrees to 16 degrees centigrade; the temperature in north, south and northwest China rose by six to eight degrees and that of the lower reaches of the Yangtze River and the southwest by three to six degrees. The warm weather with less rain and snow will enable bacteria to generate, and crops in a number of provinces already have been affected. According to the bureau, China will be hit by a cold wave in late January. [Text] [Beijing XINHUA in English 1524 GMT 23 Jan 86 OW] /12712

RECORD MEAT, DAIRY OUTPUT--Beijing, 13 Jan (XINHUA)--China reported record production of meat, milk and eggs last year, according to today's ECONOMIC DAILY. The amount of pork, beef and mutton in 1985 went up by over 1 million tons, or 7.1 percent compared to 1984's figure; milk by 200 million liters or 10 percent; and eggs by one million tons, or 23.1 percent, the paper quoted the state statistics bureau as revealing. More than 230 million pigs were slaughtered last year, an increase of 4.5 percent over 1984. The year 1985 saw domestic animals in stock rise to 324 million pigs, up 5.8 percent over 1984; 112 million draught animals, up 3.6 percent; and 159 million sheep, up one percent. A survey of 70 cities showed that by the end of last September, the amount of prok, beef and mutton sold to markets rose by 90.3 percent, eggs by 56.9 percent and poultry by 26.1 percent. [Text] [Beijing XINHUA in English 0912 GMT 13 Jan 86 OW] /9738

PEANUT OUTPUT--This year China's peanut harvest was good. Based on statistics by revelant departments of Shandong, Henan, Hebei, Liaoning, Jiangsu, Anhui, Sichuan, Guangdong, Guangxi, and Fujian, the area sown to peanuts was more than 42 million mu, and gross output was more than 107 million dan, an increase of more than 10 percent over last year. Gross

output in Shandong was 50 million dan, its output accounts for half the national gross output. At present, all regions have completed peanut harvesting and are transporting them for sale. Peanuts shipped to Guangzhou from Shandong, Henan and other regions has greatly increased. The negotiated price for each shidan has dropped from the original price of 105 yuan to 95 to 100 yuan. [Text] [Guangzhou GUANGDONG NONGMIN BAO in Chinese 22 Dec 85 p 2]

CSO: 4007/222

BRIEFS

UNDERDEVELOPED REGIONS RAISE INCOME--Beijing, January 26 (XINHUA)--Agricultural output value in China's ten economically less developed provinces and autonomous regions increased by about 42 percent in the period between 1981 and 1985 thanks to the rural economic reforms started seven years ago. These are Inner Mongolia, Qinghai, Ningxia, Xinjiang, Gansu, Shaanxi, Tibet, Guizhou, Yunnan and Guangxi. The average annual per-capita income has risen to more than 100 yuan in 80 percent of the 245 counties listed as "poor counties" in different parts of China. Some arid areas in Gansu and Ningxia are the poorest areas in China. Most peasant families there are now able to produce enough food for themselves because of improved farming conditions and the normal weather they have enjoyed for three years. Livelihood in mountainous areas in Yunnan, Guizhou and some neighboring provinces have also improved markedly. Some prefectures in Anhui, Shandong, and Shanxi, which used to suffer chronical natural calamities, now no longer depend on the state for relief or loans. [Text] [Beijing XINHUA in English 0907 GMT 26 Jan 86 OW] /12712

CSO: 4020/193

BRIEFS

REPORT ON RURAL COOPERATIVES--Hefei, January 25 (XINHUA)--About 200,000 peasants in Anhui Province have pooled their resources in 30,000 rural cooperatives, and are now reaping the rewards, a provincial official said today. The output from these cooperative businesses was worth 300 million yuan last year, said the official in this provincial capital. Families specializing in farming, fishing, transport and rural industry are realizing they can expand production by joining forces. They pool funds, share techniques and experience and organize labor into production and marketing categories. This boosts economic efficiency. A recent survey showed that average earnings in these cooperatives last year was 1,336 yuan per person--75 percent more than the average local peasant. A bamboo-weaving cooperative, formed by more than 50 families in Fantan village, Shucheng county, doubled its 1984 per capita income to 1,400 yuan last year. Its products were sold all over China. ["United We Prosper, say Anhui Peasants"--XINHUA headline] [Text] [Beijing XINHUA in English 0902 GMT 26 Jan 86 OW] /12712

CSO: 4020/193

FUJIAN YOUTH ENGAGED IN COMMODITY PRODUCTION

OW231010 Beijing XINHUA in English 0902 GMT 23 Dec 85

[Text] Fuzhou, 23 Dec (XINHUA)--Rural young people in the coastal province of Fujian have turned their eyes to the market as the economic reform picks up steam.

About 260,000 young couples are now engaged in commodity production instead of growing grain for their own consumption, according to the provincial committee of the Communist Youth League.

In addition, 32,000 rural young people are engaged in research into commodity production and selling their technology. Cooperatives formed by young people in the province amount to nearly 20,000 this year.

"Gone are the days when the husband tilled the land and the wife wove cloth at home," said Teng Liying, 29, an official of the youth committee.

She was talking about the development of commodity production in the countryside, which is changing the traditional values originating from the self-supporting economy.

A well-known Chinese sociologist, professor Fei Xiaotong, once described the change as "commodity cells" to be grown in the peasants' heads, after an investigation in many rural areas last year. According to him, rural reform has broadened the visions of peasants, especially in the coastal provinces.

Six years ago Ye Ruoyun, a 23-year-old woman in Fujian's Zhangpu county, developed a family orchard with 4,600 citrus, banana, peach, pineapple and tea plants. In 1983 the orchard was expanded to four hectares, and pomegranate trees from Thailand and American pear trees were added.

With her help, each of the 283 households in her village now has a private orchard; they are beginning to supply the local market with fruit.

Chai Dongtai, 24, who lives in another village in the same county, invested some 50,000 yuan in a sea-water pond of 3.5 hectares and has succeeded in breeding 750,000 prawns and 8,500 fish. He also raises ducks and grows melons on the bank of the pond.

"I produce what the market needs," he said. Now his prawns sell well in Hong Kong and Macao.

Last year he earned 29,800 yuan and expects to make 50,000 yuan this year.

There are hundreds of thousands of young peasants like Chai in the province.

"I got rich by making use of local natural resources," said Zheng Maocai, 22, of mountainous Jianyang County.

He set up a business providing animal specimens for biology museums and schools throughout the country. His business transactions amount to 130,000 yuan a year.

The youth organizations in the province are spreading the experience of those young people engaged in commodity production; many have set up awards for the young rural talents.

This helps create enthusiasm among the rural youth for science, technology and information. There are now 5,100 rural technical schools and cultural centers in which over 250,000 peasants have been trained in the past few years.

The enthusiasm for commodity production among the rural youth has resulted in the improvement of market supplies and expansion of exports, said a provincial official.

Eighty percent of the province's eight million young peasants are expected to be engaged in commodity production by the end of this decade, the official said.

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CSO: 4020/173

BRIEFS

FUJIAN LARGEST MARINE BREEDER--Fuzhou, 30 January (XINHUA)--China's coastal province of Fujian has become the largest breeder of marine products in China, producing 209,000 tons of sea food last year. Fujian enlarged its aquatic breeding area by 90 percent during the Sixth 5-Year Plan (1981-1985). The yield during this period increased by 88 percent. Fujian has a 3,300 km coastline. The polder and shallow sea areas no deeper than 10 meters cover 130,000 hectares. The climate is ideal for the breeding of fish, shrimps, shellfish and algae. Fujian began to expand its fishing industry in the 1960s, but not enough attention had been paid to breeding until recent years. Now local peasants are encouraged to contract areas of shallow water for breeding aquatic products. The contractual terms have been extended to 30 years, and during this period they may transfer or inherit the sections. Fujian used to produce only kelp, laver and some shellfish, but now it breeds a wide variety of aquatic products, such as prawns, oysters and yellow croakers. [Text] [Beijing XINHUA in English 1506 GMT 30 Jan 86 OW] /12913

CSO: 4000/199

GUANGDONG MOVES TO HALT 'DRASTIC' DROP IN FORESTED AREA

HK180548 Beijing ZHONGGUO XINWEN SHE in Chinese 1012 GMT 16 Jan 86

[Text] Guangzhou, 16 Jan (ZHONGGUO XINWEN SHE)--During the period covered by the "Seventh 5-Year Plan" which begins this year, Guangdong Province will adopt measures, such as strengthening management, increasing investment, carrying out afforestation engineering, and so on, to halt the drastic decrease in the area of forested land so as to afforest the province's mountainous areas, areas which suffer from soil erosion, hilly land, wasteland, and barren hills.

Because Guangdong Province has failed to implement a strict forestry management system, trees have long been recklessly cut down in some areas. As a result, the forest reserves of the province have been seriously reduced. Over the past 5 years, the forest coverage rate of the province has been reduced from 29.4 percent to 26.7 percent and the forest reserves have been reduced by 7.3 percent. At present, there are over 5,800 mu of barren hills and wasteland in the province, which are suitable for afforestation, but have not yet been afforested.

The drastic decrease in the area of forested land has aroused the concern of the relevant provincial departments. This year, the provincial agriculture, forestry, and water departments have jointly established a water and soil maintenance coordinating group, which has decided to provide another 20 million yuan of bank loans every year for afforestation while maintaining the originally-decided annual investment of 14 million yuan in afforestation during the period covered by the "Seventh 5-Year Plan." The group has also decided to afforest 1,000 mu of land every year. And at the same time, the group has decided to complete the 15-million-mu timber afforestation project in 16 counties of the province, the 2-million-mu fast timber afforestation project, and the 20-million-mu afforestation project which will be carried out by plane while continuing to carry out and transform the 2,800-kilometer-long coastal shelter belt project and the 5-million-mu farmland shelter belt project in the Zhujiang Delta plain and some other projects. The relevant departments have also advocated the building of the forests which can present wind and flood disasters and will try to enable all villages to build high-standard forests to prevent wind and flood disasters within 3 to 5 years.

/12858
CSO: 4007/216

BRIEFS

SUGAR OUTPUT VOLUME--By 10 January, the province's 156 sugar refineries totally refined more than 570,000 tons of sugar from more than 5.71 million tons of sugar cane. Compared to the previous sugar refining season, the amount of sugar cane was increased by 37.2 percent and the amount of refined sugar output was increased by 29.54 percent. In 1.85, the sugar cane growing area of the province totaled 5.97 million mu, an increase of 1.45 million mu compared to the previous refining season. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 20 Jan 86 HK] /8918

HAINAN WINTER SOWING--According to statistics as of 14 January, Hainan Region had sown winter crops on 756,800 mu, a record since 1980. Of these winter crops, winter sweet potatoes were sown on 556,600 mu, melons and vegetables on 161,700 mu, dry-land crops on 8,396 mu, peanuts on 1,587 mu, and sugarcane was planted on some 28,500 mu. The area sown to winter sweet potatoes was 116,000 mu more than in the same period last year. [Summary] [Haikou Hainan Island Service in Mandarin 0400 GMT 16 Jan 86 HK] /12712

CSO: 4007/223

GUANGXI RADIO URGES SOLVING RURAL PROBLEMS

HK180649 Nanning Guangxi Regional Service in Mandarin 1100 GMT 17 Jan 86

[Station Commentary: "Strengthen Confidence and Strive for an All-Round Bumper Harvest This Year"]

[Excerpts] The 7-day regional conference on rural work has concluded.

We must realize that the region's agricultural foundation is still very brittle. The development of our rural economy is below the average national growth rate. In particular, grain output has declined for 2 successive years. This has had quite a big impact on all sectors. The level of peasant incomes is low, and the majority of peasants have only recently solved their food and clothing problems. Some are still living in poverty. There has been a deterioration in the conditions for agricultural production. The effectiveness of water conservancy and irrigation has declined year by year. Soil fertility has dropped and the ecology has been damaged. These things pose a latent threat to agricultural development.

In light of the actual conditions in rural Guangxi, the conference explicitly set out the guiding ideas and the tasks for rural work this year, and in particular stressed that we must seriously implement the principle of actively developing diversified undertakings without any slackening of grain production, and focus on reviving grain production.

Agriculture is the foundation of the national economy, and grain is the foundation of the foundation. We cannot achieve economic transformation in Guangxi without a firm agricultural foundation. It is also unimaginable that the food problem could be solved by shipping in large amounts of grain. There can be no stability without agriculture, and there will be chaos if there is no grain. We must straighten out our understanding and assign grain production an important position. We must take steps to enhance the peasants' enthusiasm for growing grain, and perfect the grain purchase contract system.

The region's general demand in grain production is to achieve basic self-sufficiency, ship in a little from elsewhere as a supplement, and strive to achieve the previous grain output record within 2 years. On this basis, we should maintain steady growth.

Guangxi has a considerable amount of mountain land suitable for growing grain. Such places must take full advantage of their strong point in grain, grow the crops well, and ensure the fulfillment of their delivery quotas.

At present we must regard the revival of irrigation effectiveness as an urgent task in water conservancy construction. We must do a good job in construction and in repairing damaged facilities.

We must attach importance to manure work, develop green manure, and increase the amount of various types of organic fertilizer, to improve soil fertility. We must strengthen scientific research and technological popularization in the frontline of agriculture.

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CSO: 4007/216

GUANGXI CONFERENCE DISCUSSES RURAL WORK TASKS

HK180645 Nanning Guangxi Regional Service in Mandarin 1100 GMT 17 Jan 86

[Excerpts] A 7-day Guangxi rural work conference concluded on 16 January. The conference focused on conveying and implementing the spirit of CPC Central Committee Document No 1 of 1986. In connection with the current state of rural reforms and economic development in the region, the conference discussed and formulated new measures for promoting the in-depth development of rural reforms, so as to achieve still greater success in rural work this year.

The conference fully affirmed the achievements of rural reforms in Guangxi in 1985. The conference held: Having successfully carried out the first step of reforms, focused on instituting the production contract responsibility system with payment linked to output, the rural areas of Guangxi last year took an important step forward with the stress on reforming the quota assignment and procurement system for agricultural products and readjusting the rural production structure, and scored marked success. Last year total social output value in the rural areas is estimated to top the previous year's by 4 percent. Average peasant income is estimated to have increased by more than 30 yuan. Except for grain and peanuts, whose output fell, production of industrial crops and of forestry, animal husbandry, sideline production, and fisheries showed increases compared with 1984. Output of sugarcane and sugar respectively increased by 25.7 percent and 26.9 percent, setting new records.

Total income of the region's township enterprises is estimated at 2.25 billion yuan, an increase of about 50 percent over 1984.

Such great economic development in rural Guangxi fully attests to the power of the economic reforms.

The conference demanded that leaders at all levels in the region seriously implement the spirit of this year's Central Document No 1, unswervingly follow the strategic principle on regarding agriculture as the foundation of the national economy, and further implement the rural policies laid down by the central authorities. They should continue to carry out rural reforms in depth, improve the conditions for agricultural production, organize pre- and post-production services, and promote sustained, steady, and coordinated development of the rural economy.

It is necessary to further emancipate the mind and consolidate, digest, and supplement the fruits already gained in rural reform. We must focus on solving a number of outstanding problems in reform and let the reforms provide still greater benefit. We must also carry out studies in preparation for the next step of reform.

The meeting stressed that actively developing diversified undertakings without any slackening of grain production is the fundamental principle for guiding agricultural production. We must maintain steady growth in grain output while readjusting the production structure. The regional CPC committee and government have proposed that grain production this year rise by about 3 billion jin over last year's figure. This is a key goal of endeavor in the region's rural work this year. The region must achieve basic self-sufficiency in grain. Both rice and maize are major grain crops in the region, and both must be developed. We must also attach importance to production of miscellaneous grains, and correct the tendency to attach little importance to these crops.

We must actively promote diversified undertakings while getting a good grasp of grain production. In developing industrial crops this year, we must aim at the needs of society and the markets and do a good job in market forecasting. Production should be guided by means of placing crop purchasing orders.

We should speed up the development of township enterprises, and have industry and sideline undertakings supplement and nurture agriculture, so as to increase the peasants' income. Pigs and vegetables are important nonstaple foods for the people in urban and rural areas. We must take proper measures to ensure the supplies of nonstaple food for the towns.

It is necessary to do a good job in rural grassroots building and party rectification, launch a drive for civilized townships and villages, promote education in the legal system and crack down on crime, strengthen public order, do a good job in planned parenthood, and control population growth.

Leading comrades of the region Chen Huiguang, Wei Chunshu, and Jin Baosheng attended the conference and made speeches.

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CSO: 4007/216

BRIEFS

TREE CROPS--During the Sixth 5-Year Plan period, the region vigorously developed production of crops from trees. The region planted tea oil, tung, aniseed, chestnut, and walnut trees on some 4.04 million mu of land, an increase of 29.6 percent over the Fifth 5-Year Plan period and an annual average of 809,000 mu. [Summary] [Nanning Guangxi Regional Service in Mandarin 1100 GMT 20 Jan 86 HK] /8918

CSO: 4007/235

BRIEFS

PADDY RICE STORAGE--As calculated by the end of last year, our province had stored more than 650 million kg of paddy rice, 7.4 times that of 1981 the first year of the "Sixth 5-Year" Plan period, and hitting an all-time high. [Text] [Harbin HEILONGJIANG RIBAO in Chinese 8 Jan 86 p 1 SK] /12712

CSO: 4007/236

HENAN GOVERNOR SPEAKS ON RURAL IDEAS, GOALS

HK290233 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 28 Jan 86

[Excerpts] He Zhukang, deputy secretary of the provincial CPC Committee and governor, made a report at the opening of the Henan provincial rural work conference on the morning of 17 January, entitled "Sum up experiences, advance from victory to victory, and achieve still higher standards."

He said: the central Document No 1 of 1986 is very important. It is the continuation and development of successive Documents No 1 issued in recent years, and is of major guiding significance. We must seriously study the document in connection with reality, thoroughly appreciate its intentions, and arrange the tasks for 1986 and the period of the Seventh 5-Year Plan.

Speaking on the need to take a correct view of the rural situation, He Zhukang said: Under the guidance of the correct principles and policies of the central authorities, Henan's agriculture has developed extraordinarily fast in recent years. The province is now self-sufficient, with a surplus, in the major products, and we have also broken down the self-sufficient and semi-self-sufficient natural economy and started to embark on planned socialist commodity economy. The agricultural structure has been readjusted.

On the goals and tasks of the province's agricultural development, Comrade He Zhukang said: The guiding idea for rural economic development in Henan during the Seventh 5-Year Plan is: Stick to the socialist orientation, simultaneously grasp the building of the two civilizations, take agriculture as the foundation, put reforms in the first place, rely on policies and science to speed up the technological transformation of agriculture, further improve the production conditions, harmonize the rural economic relationships, and promote sustained, steady, and coordinated development of the rural economy.

Our initial thinking is that social output value in rural Henan during the Seventh 5-Year Plan should reach 50 billion yuan, rising at an annual average of 8.3 percent. Total agricultural output value, calculated according to (?the new) specifications, should reach 23.5 billion yuan, rising at an annual average of 4 percent. Total grain output should reach 65 billion jin, averaging more than 80 jin per capita. Total cotton output should reach 12 million dan and oil-bearing crops 22 million dan. The number of 10 million, the number of pigs 17 million, and animal husbandry output value should reach 20 percent of total agricultural output value.

We should complete the task of planting trees on the plains, and the area of forest cover should reach 18 percent of the province. Meat output should reach 1 million tons. Contract purchase orders for grain should reach about 12.1 billion jin. Total output value of the township enterprises should reach 25 billion yuan, and average net income of the peasants should exceed 500 yuan. We should strive for an average annual increase of 50 yuan in this latter figure.

By achieving these goals, the province's rural economy will reach a new level and enter a new period. We must therefore get a good grasp of the following tasks: Further readjust the rural production structure and actively build a number of high-yielding and fine-quality agricultural commodity bases that take advantage of the province's strong points; get a good grasp of infrastructural construction; speed up construction in mountain areas, old revolutionary bases, and poor areas; and actively develop small rural towns.

He Zhukang stressed: We must carry out rural reforms in greater depth. We must digest and consolidate the correct reform measures and the results already achieved. We must do a good job in popularizing and using the existing fruits of science and technology, step up the development of applied technology in the rural areas, promote technical training, and strengthen the building of the rural science and technology force.

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CSO: 4007/242

HENAN LEADER STRESSES CONTINUING RURAL REFORMS

HK300251 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 29 Jan 86

[Excerpts] Henan Provincial CPC Committee Deputy Secretary Liu Zhengwei delivered a speech at the provincial rural work conference entitled "Persevere in reform and bring about all-round invigoration of the rural economy." The speech was in 10 parts: 1) Rural reforms have achieved unimaginable success; 2) the important position of rural economy in Henan; 3) go further in actively and steadily readjusting the rural production structure; 4) it is essential to highlight reliance on science as an important guiding principle in developing rural economy; 5) speed up reforms in the circulation field and the financial system; 6) increase input, improve the conditions for agricultural production, and strengthen the building of the service setup; 7) starting with service, perfect and develop the rural cooperative system; 8) reform the methods of supporting the poor and make efforts to help poor areas transform themselves; 9) compare specific policies; 10) further strengthen and imporve leadership over rural work.

Regarding rural reforms; Comrade Liu Zhengwei said: We have successfully completed the Sixth 5-Year Plan during the past 5 years. This period coincided with a period of profound reforms in the rural areas, and unimaginable success has been scored in developing the rural economy.

It is estimated that the province's agricultural output value last year rose by 8.3 percent over 1984 and that average per-capita income rose by 29 yuan. In particular, income of the township enterprises last year is estimated at over 15 billion yuan, an increase of 50 percent over 1984.

Comrade Liu Zhengwei said: The guiding idea that agriculture is the foundation of the national economy was reaffirmed in the CPC Central Committee Conference proposal on the Seventh 5-Year Plan adopted by the National Conference of Party Delegates. It was further emphasized in the CPC Central Committee Document No 1 of 1986. We must resolutely implement this principle without the slightest wavering. Innumerable historical facts have shown that whenever the rural economic situation is good, the entire provincial economic situation is good; and whenever agricultural output and peasant incomes decline, the province's political and economic situation is affected. We cannot forget the painful lessons of history. We must certainly not just stress agriculture as the foundation when we are hungry and forget about it when we are full, nor

can we acknowledge in words that agriculture is most important while treating it in our actions as of secondary importance.

The current trend among a few comrades to neglect the rural areas, agriculture, and the peasants must arouse the attention of the leaders at all levels.

In accordance with the spirit of central Document No 1 and the requirements of the new tasks, the general guiding idea for the province's rural work in 1986 is to continue to persevere in reform, firm up, perfect, and round off the various policies and measures for rural reform, and promote sustained, steady, and coordinated development of the rural economy, so as to make an excellent start to the Seventh 5-Year Plan.

Comrade Liu Zhengwei stressed: In readjusting the production structure, we must resolutely implement the principle of actively developing diversified undertakings without any slackening of grain production and correctly handle the relationship between grain production and diversification. In order to raise the province's grain production to a new level, we must appropriately stabilize the grain sown area. Wheat is a strong point of Henan among the grain crops. We must therefore first get a good grasp of wheat production. Comrades Hu Yaobang and Zhao Ziyang expressed agreement and support for the establishment of wheat commodity bases in Henan when they insepcted work in the province. This is a glorious and arduous task assigned to the people of the province by the party and state. It is also a strategic policy decision on developing our rural economy. The provincial CPC Committee and government have decided to regard the building of Henan into a wheat base as a focal project in the Seventh 5-Year Plan. This work should lead forward the entire field cultivation, animal husbandry, and food processing businesses.

Comrade Liu Zhengwei demanded that the rural areas regard reliance on science as a major principle in developing the rural economy.

He said: We must also stress that the policy of allowing some people to get rich ahead of others has not changed and will not change.

Comrade Liu Zhengwei said in conclusion: The economic reforms we are currently carrying out represent a great project carried out under party leadership for perfecting the socialist system. To ensure the smooth progress of this reform, we must continually strengthen our concept of party spirit while carrying to economic reforms. We must persistently build the two civilizations together in the whole of our rural work.

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CSO: 4007/242

HENAN COMMENTARY ON PROPERLY TENDING OF WHEAT CROP

HK290815 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 23 Jan 86

[Station Commentator's article: "Good Tending of Wheat Crop is Our Urgent Task at Present"]

[Excerpt] Spring will soon set in after this severe winter passes away. The province's work of tending the wheat crop this winter and spring has reached a critical moment of great urgency. According to a recent survey of the departments concerned, the province's area of wheat intertillage is less than one-quarter; that of topdressing is less than one-fifth; and that of irrigated farmland is even less. Except for some areas which grasp the work firmly, most areas slacken, in varying degrees, their supervision over the work. Therefore, leading departments at various levels must attach great importance to the work. From now on, we must mobilize the manpower of various sectors to do well in tending the wheat crop.

This year is the first year of the Seventh 5-Year Plan period, as well as the year when we continue to carry out second stage in-depth rural reforms. The result of our wheat production plays a direct part in promoting the development of the province's four modernizations. All cadres must thoroughly understand the important political and economic significance of reaping a bumper wheat harvest this year. Agricultural production requires a strong sense of consciousness. Once a person misses a chance, he cannot but wait for a whole year. Therefore, we must grasp the most opportune moment in agriculture.

Though we are still facing a severe winter, we must carry on with our management of the wheat crop. Therefore, we must concentrate our necessary manpower, material and financial resources on the work; proceed from the reality; and work out practical measures to ensure smooth progress in the work of tending the wheat crop. We must educate the peasants in overcoming the thinking of depending on the weather, as well as their slack mood. We must mobiiize, in various ways, the peasants' initiative of investing in farmland in the area of efforts to apply fertilizer. We believe that so long as all cadres and peasants attach great importance to this work, in particular when all cadres fully understand their responsibilities and grasp well the practical work at grassroots, the province will certainly reap a bumper harvest of wheat in its 70 mission mu of growing area.

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CSO: 4007/242

BRIEFS

RURAL TASKS FOR 1986--Vice Governor Hu Tingji made a speech during the provincial rural work conference, entitled "Get a good grasp of this year's production and reap a bumper harvest." He said: The initial idea on Henan's agricultural production in 1986 is: Grain output should reach 58 billion jin; cotton should remain at the level of 12.2 million dan; total oil-bearing crop output is planned at 21.8 million dan; total animal husbandry output value should exceed 4 billion yuan; total fisheries output should reach 120 million jin; the province should carry out aforestation on 2.7 million mu, plant 150 million trees around houses, villages, roads, and rivers, and produce 1.7 million cubic meters of timber; forestry output value should rise by 10 percent over last year; and total agricultural output value is planned at 21 billion yuan, a rise of 7 percent over 1985. Comrade Hu Tingji said: In Henan, "no stability without grain" means "no stability without wheat." This year the sown area of wheat in the province is relatively great. In general, the crop was sown late and tended badly, and there are big variations in crop growth. We must do everything possible to concentrate energy on working hard for 20 days to 1 month to bring about a marked improvement in the growth of the crop. [Excerpts] [Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 30 Jan 86 HK] /8918

MAJOR GRAIN SUPPLIER--Zhengzhou, 28 January (XINHUA)--Henan province, which had to import grain until 1979, has provided 7,500,000 tons of grain for other parts of China and for export since 1981, the provincial agricultural bureau reported. Eighty percent of this was wheat, said a bureau official. The province is China's biggest wheat producer. In all, Henan peasants have sold 25 million tons of grain to the state during the past five years. The official attributed the increase to the responsibility system, a reform which has linked peasants' financial rewards to output, as well as the application of better strains of grain, new agricultural techniques and more fertilizers. The province has harvested more than 25 million tons of grain a year since 1983, and the income of rural residents has soared from 130 yuan in 1930 to 330 yuan last year. [Text] [Beijing XINHUA in English 1610 GMT 28 Jan 86 OW] /12913

CSO: 4000/199

HUBEI FOOD PROCESSING INDUSTRY MAKES PROGRESS

HK291007 Wuhan HUBEI RIBAO in Chinese 14 Jan 86 p 1

[Report by Peng Chao [3403 3390]: "Hubei Province Devotes Efforts to Finish and Intensive Processing in Development of Cereal, Oil, and Foodstuff Processing Industry"]

[Text] During the period of the sixth 5-year plan, our province devoted efforts to finish and intensive processing in the development of the cereal, oil, and foodstuff processing industry. The development has been rapid and the economic results have been good. In 1985, the province's gross industrial output value amounted to 1.42 billion yuan, double that recorded in 1980.

In the past few years, the staple foods for urban and rural residents in our province have been becoming "finer and finer." In 1980, the amount of processed fine rice at and above the first grade only accounted for 5.4 percent of the province's total rice processing volume; but last year the proportion rose to over 70 percent. In 1980, super-fine flour was only supplied to those Red Army veterans and old cadres who had made outstanding contributions to the revolution; but in 1985, the amount of super-fine flour supplied accounted for more than 75 percent of the total supply of flour in the province. In 1980, there were only 40-odd varieties of processed foodstuffs being supplied in the province. At present available on the market are more than 700 rice and flour products, nutritious fats, pastries, and beverages, of which 66 items have won the title of high-quality product from the Ministry of Commerce, the provincial departments concerned, or the trades concerned.

The contrast between these figures has expressed itself quietly in daily life. However, it has sharply impressed on the masses that Confucius' dream that "food can never be fine enough" has already come true for hundreds of thousands of families today.

From 1982, our province's grain department began to step up the development of the cereal oil, and foodstuff processing industry, with the emphasis placed on developing the intensive and finish processing of grains and oils, the technology of fat refinement, and the production of various cereals, oils, and foodstuffs. The department has also prepared conditions for the development of nonwash rice and various high-grade edible oils. From 1983 to 1985, all the grain departments in the province pooled funds totaling 150 million yuan

to renew equipment and introduce technical reforms--a total of 248 projects being completed. The province has also signed contracts with Japan, Italy, and other countries to import 22 projects related to advanced technology and equipment for the processing of cereals, oils, and foodstuffs. At the same time, grain departments in various places have vigorously promoted the production of popular and traditional foodstuffs. The instant noodles produced by Wuhan, Huangshi, Yichang, and Jingmen Cities, the instant rice vermicellis produced by Huangshi and Ezhou Cities, and the refined starch produced by Shashi City all are new marketable products put on the market in recent years.

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CSO: 4007/243

BRIEFS

HUBEI RECORD FISH CATCH--Wuhan, 29 January (XINHUA)--Hubei province landed a record catch of fish weighing 350,000 tons last year, the provincial fisheries office reported. This was 65,000 tons more than in 1984. The central China province is the country's largest freshwater fish producer. The province turned 34,700 hectares of low-yielding farmland into fisheries last year, while using idle lakes, reservoirs and ponds to raise fish. [Text] [Beijing XINHUA in English 0709 GMT 29 Jan 86 OW] /12913

CSO: 4000/199

HUNAN SECRETARY ATTENDS PARTY RURAL WORK MEETING

HK180630 Changsha Hunan Provincial Service in Mandarin 1100 GMT 17 Jan 86

[Text] From 11 to 17 January, the provincial CPC committee held a meeting of party members and principal responsible cadres of prefectures, autonomous prefectures, and cities, as well as departments and bureaus directly under the provincial authorities. The meeting seriously studied and acted in the spirit of the central meeting on this year's rural work. The meeting also formulated plans for this year's work.

Comrades Mao Zhiyong, Xiong Qingquan, Liu Zheng and Cao Wenju spoke at the meeting. The provincial CPC Committee urged the leadership at all levels, as well as the departments concerned, to make concerted efforts and to conduct in-depth reform so as to promote a continuous, stable, and coordinated development of the rural economy.

The provincial CPC Committee urged comrades of the party government, and military organs, as well as mass organizations and all departments, to unite together and carry forward the spirit of the foolish old man who removed the mountains. They should do well the 1986 work and in a down-to-earth manner.

In the course of studying the spirit of the central meeting on rural work, the party members and principal responsible cadres of prefectures, autonomous prefectures, and cities, as well as departments and bureaus directly under the provincial authorities, with reference to their personal experience said that in 1985, the province's rural areas seriously acted in the spirit of the Central Document No 1. They took the significant first step which focused on reforming the system of distributing and purchasing agricultural products in a centralized way, and on readjusting the rural industrial structure. It could be said that the good situation in the rural economy in 1985 was unprecedented.

In 1985, the province's agricultural production experienced the severest drought. Though the output volume of grain production was reduced, the province's diversified operations were greatly developed because of the readjustment of the industrial structure. Compared to the previous year, its gross agricultural output value was increased by 6 percent. The per capita net income of peasants was increased by 40 to 50 yuan.

The provincial CPC Committee pointed out: In 1986, the main task of the province's rural economic work are: to seriously act in the spirit of Document No 1 of 1986 and the central meeting on this year's rural work; to resolutely reform in an in-depth way the system of distributing and purchasing agricultural products in a centralized way; to continue to readjust the rural industrial structure; to perfect the service organizations at all levels; to improve the conditions for production; to promote a constant, stable, and coordinated development of the rural economy; and to emphasize the status of agriculture in the national economy as a whole.

The provincial CPC Committee urged: We should stabilize the province's gross output volume of grain above the level of 50 billion jin; and should strive to increase the gross output value of town and township enterprises by more than 3 billion yuan over last year, and the per capita net income by 5 billion yuan.

Most of the participating comrades said that the meeting was done well because it acted in the spirit of the central meeting on this year's rural work and it had specific policies and measures for invigorating the province's economy.

First, the provincial CPC Committee upheld reform of the system of distributing and purchasing agricultural products in a centralized way, and took a determined attitude toward the practice of further perfecting the purchase contracts for agricultural products. The provincial CPC Committee explicitly stipulated that with the exception of grain which would be purchased by the provincial, prefectural, and county authorities by contract, all agricultural and sideline products including foodstuffs and timber were open to the market. All units and departments are prohibited from obstructing peasants from engaging in business or infringing upon their interests.

Second, in order to protect and encourage the peasants' enthusiasm for producing and selling grain, the provincial CPC Committee stated clearly the method of making economic readjustments, so that the grain growers would get economic benefits. In addition, the provincial government would increase its investment in agricultural capital construction, so as to help the peasants improve the conditions of production. The government would also allocate more funds to the agricultural undertaking, would conduct scientific research in agriculture and promote technology, and would strive to improve the per unit area yield of grain, as well as the quantity and quality of other agricultural products.

Third, the provincial CPC Committee will continue to carry out the policy of giving preferential treatment to the development of town and township enterprises. The province will continue to implement the basic policies stated in 1984 in the resolution of the provincial CPC Committee and Government on taking reforms as the bases and greatly developing town

and township enterprises. In addition, the province would adopt measures for further helping the enterprises in the areas of taxation, capital, technology, and raw materials.

The provincial CPC Committee urged the leadership at all levels, as well as all departments, to further properly stress the status of agriculture in the national economy. They should continue to uphold the strategic principle of developing the national economy, with agriculture as the basis. All sectors, particularly the departments directly under the provincial authorities, must seriously study and act in the spirit of the central meeting on rural work. They should make contributions to developing the rural commodity economy and their services. Whenever they find that their regulations do not conform to the spirit of Central Document No 1 in an area or two, they should voluntarily correct and eliminate them. They must correctly evaluate the level of prosperity among the peasants. They must not arbitrarily raise funds, apportion expenses, or levy charges on them. They should strive to lighten the burden of the peasants.

The leadership at all levels must fully understand the importance and urgency of strengthening construction in the mountainous areas. They should adopt specific steps and measures to promote construction. Proceeding from reality, they should strive to extricate the poor areas from their poverty-stricken state. They must, by focusing on social services, gradually perfect the system of cooperation based on household operations and services. Through the comprehensive reform of the economic structure at the county level, they must establish various kinds of service systems and make them serve society in a professional way. They must take a long-standing strategic attitude toward education in agriculture and science and technology's rural work.

When arranging the work for 1986, the provincial CPC Committee stressed that 1986 is the first year of the Seventh 5-Year Plan period. Our work should be better than last year, and we have all the conditions for achieving this. The general guiding ideology for this year's work is: Taking the spirit of the National Conference of Party delegates as the guide and focusing on economic construction, we should resolutely give priority to reforms, place the building of spiritual civilization in an important position, ensure a considerable growth rate for the province's national economy under the prerequisite of strengthening macroscopic supervision and improving economic results, ensure a remarkable change for the better in the party work style and general mood of society through strict party administration and strengthened ideology and political work, and further consolidate and develop the province's good economic and political situation.

Proceeding from the province's economic construction as a whole, we must safeguard the key construction projects which focus on power generation. On industrial production, the province must not only ensure speed but

also economic results, which are more important, so that we can achieve simultaneous growth in three areas. We must promote new development in building both the material and spiritual civilizations. The livelihood of the people living in both urban and rural areas must be further improved.

The provincial CPC Committee urged the party committees at various levels to build the party work style, as well as carry out the rural work of party rectification, in a down-to-earth manner. On building the leading groups, they must emphatically do well in the areas of ideology and work style, and improve their leadership skills.

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CSO: 4007/216

HUNAN OFFICIAL URGES CONTINUED RURAL REFORM

HK310257 Changsha Hunan Provincial Service in Mandarin 2300 GMT 30 Jan 86

[Radio Talk by Hunan Vice Governor Cao Wenju: "Continue to Carry Out Rural Reforms in Depth"]

[Excerpts] How should we carry out rural work in 1986? This is a question of great concern to the cadres and masses, especially the peasants. In the past month, the central and provincial authorities have made arrangements for rural work this year. The general demand is to implement the policies, carry out reforms in depth, improve the conditions for agricultural production, organize pre- and post-production services, and stimulate sustained, steady, and coordinated development of the rural economy.

In order to carry out Hunan's rural reforms in depth, we must persevere in reforming the system of unified quota assignment and procurement of agricultural products, and further perfect the contract purchase system. The provincial CPC Committee and government have decided that this year, except for grain, for which contract purchase quotas are handed down level by level from the province, prefectures, and counties, all restrictions will be lifted on agricultural and sideline products. The peasants have the right to handle their own agricultural and sideline products, and this right is protected by law. No unit or department is allowed to engage in assigning procurement quotas in a disguised way, and still less may they encroach on the peasants' interests by erecting obstacles and blocks.

Readjusting the rural production structure is a current important task in rural reforms. There must be no wavering or slackening over this. Viewed in light of the actual conditions in Hunan, in readjusting the rural production structure we must pay attention to the following questions:

1. Uphold the principle of actively promoting diversified undertakings without any slackening of grain production. A steady increase in grain output is the foundation of readjusting the rural production structure. However, grasping grain production certainly does not mean going back to the old road of taking grain as the key link. Practice has proven that is a road leading nowhere. In future we should focus efforts on improving crop yields and quality, and ensure steady growth in grain output.

2. We must stick to the principle of acting in light of local conditions in readjusting the rural production structure.

3. We must gear the readjustment to the markets and introduce changes a ording to the changes in the markets. Thus production will better meet social needs.

4. The decisionmaking power in readjusting the rural production structure must be truly in the hands of the peasants. The leaders at all levels must strengthen macro control and provide services. They must certainly not treat all cases the same way irrespective of the circumstances or issue blind command, which damage the peasants' enthusiasm.

Township enterprises have already become a major pillar of the province's rural economy. They represent an important component part of the national economy, and are also the way for rationally disposing of the rural labor forces, creating new productive forces, and developing new-style cooperative economy. The leaders at all levels and the departments in charge of the township enterprises must work hard and positively to take advantage of local strong points, and strive to maintain last year's development level in the enterprises' economic income.

In recent years the agricultural infrastructural facilities in some areas have grown old and their capacity to deal with natural disasters has declined. Unless this state of affairs is rapidly changed, it is bound to affect the sustained and steady development of agriculture. In agricultural capital construction, we must currently solve the problem of water conservancy construction.

Leaders at all levels must fully understand the great potentials in science and technology and get a good grasp of popularizing agricultural research and advanced technology.

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CSO: 4007/243

JIANGXI STUDIES RURAL WORK CONFERENCE GUIDELINES

OW231159 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 18 Jan 86

[Excerpts] The provincial CPC Committee and people's government issued a joint circular yesterday urging all localities to do a good job in studying and publicizing the guidelines of the central rural work conference. The circular said that this should be regarded as a task of prime importance in the current rural work, and good plans should be made so that this task will be undertaken in a serious manner.

According to the circular, emphasis should be placed on the following points in order to achieve success in studying and publicizing the guidelines of the rural work conference:

1. Acquire a correct understanding of the excellent situation prevailing in the rural areas. The current excellent rural situation is manifested by the fact that through reform the whole rural economy has become lively, great progress has been made in developing production, and peasants' living standards have been raised to a considerable extent.

2. Cherish firm confidence in the success of conducting rural reform in greater depth.

3. Further enhance the understanding of the importance of agriculture as a fundamental undertaking; adopt more effective measures to improve agricultural production conditions and to protect the peasants' enthusiasm for production; and do everything to ensure the sustained and steady development of agricultural production.

4. Understand correctly the relationship between grain production and diversified operations. In adjusting the production pattern, we must adhere to the policy of never relaxing efforts to develop grain production while actively promoting diversified operations. Both grain production and diversified operations should be incorporated in the production plan and receive due attention. We should see to it that they are closely integrated and promote each other.

5. Keep to the concept of coordinated development of agriculture and village and town industry. Currently, development of village and town enterprises is

still a weak area in our province's economic work. Therefore, we must persist in going all out to develop these enterprises.

6. Acquire a correct understanding of the dialectical relationship between persistence in common affluence and allowing some people to become better off before others. We should do a good job in helping the poor; improving the legal system to protect legitimate rights and interests and to ban illegal gains; and achieving the goal of common affluence by developing production.

The circular requests that all rural party organizations immediately organize cadres, those doirg rural work in particular, to study the document. They should schedule some time before the Spring Festival for such study; achieve a unified understanding of the various problems encountered in rural reform on the basis of the No. 1 Document; and ensure that the work of reform is developing in depth. Meanwhile, party organizations at all levels in rural areas should integrate the study and publicizing of the No. 1 Document with the education in the current situation and policy, the education in ideology and discipline, and the education aimed at popularizing legal knowledge. They should map out a unified plan and make appropriate arrangements to further invigorate the rural commodity economy and bring about still greater progress in developing agricultural production in our province.

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JILIN

JILIN RIBAO COMMENTATOR ON IMPORTANCE OF GRAIN PRODUCTION

SK230303 Changchun JILIN RIBAO in Chinese 31 Dec 85 p 1

[Commentator's article: "Grain Production Should Be Firmly Grasped"]

[Text] Despite the damage by the rare waterlogging and floods, our province still reaped a fairly good harvest this year thanks to a success in the anti-flood and rescue work and the fairly good weather in the latter period. The CPC Central Committee and the provincial CPC Committee called on us to restore our grain production to a level prior to the disaster. It is a very arduous task to increase grain production by more than 20 percent in 1 year.

Natural disasters bring difficulties to the next year. The greatest difficulty in the grain production of next year is a lack of funds. In agriculture at present, high output comes from high input. We should apply more chemical fertilizer in order to increase grain production. Because of a decline in grain production and in the people's income this year, a considerable number of people have no money to buy chemical fertilizer. What merits our special attention is the situation that people in some heavily-stricken areas are unwilling to apply more fertilizer next year because the fertilizer they invested this year did not yield due grain and they even owed the banks some loans. Some even do not want to grow grain.

Agriculture is the foundation of the national economy, and grain is the foundation of the foundation. "No agricultural development, no economic stability," and "no grain, no social order." A stable grain increase should be guaranteed in order to maintain a sustained, stable, and coordinated national economic development. As an important marketable grain production province of the country, our province has more grain, in particular corn. This is our greatest advantage and, therefore, we should consider grain production a task of paramount importance.

It is totally necessary for the rural areas to restructure their production. However, the readjustment of the production setup should be based on a stable increase in grain production. It is an inevitable trend and a good phenomenon that some peasants leave farmland to engage in other undertakings. Rural areas will not become prosperous through production and marketing of grain alone. In the course of the readjustment and change, however, it will never be permitted to reduce grain output. Following the readjustment of rural production

setup, we should gradually concentrate farmland on able farmers, develop large specialized grain households, and lend them more support and assistance.

We should adhere to the principle of delegating the power of planting, production, and operation to peasants. In the future, we should not map out mandatory plans for agricultural production, still less resort to coercion and commandism. However, this never means that leadership can be discarded or relaxed. The more we relax policies and enliven the economy, the more we should strengthen macroeconomic control and leadership. This is dialectical unity. It is precisely because we implement the output-related contract system that we should all the more provide information to contractors, strengthen guidance over them, and increase planned steps to reduce ill-considered ones. A peasant household should not rashly transfer its farmland to others if it does not have other higher and more stable income. A piece of land which, if sown to other crops, cannot produce higher income than that from grain production, should be sown to grain. We should place economic results in the first place. Through information guidance, we should combine and unify market demands with agricultural production, and social benefit with the benefit of peasants.

Grain production is greatly affected by weather conditions, and it is impossible for us to eliminate the situation of living at the mercy of heaven at present. Therefore, we should base ourselves on combating disasters to reap good harvests. In the history of our province, it is not unprecedented to have excessive rainfall for 2 years in succession. Next year we should also be prepared to combat floods, waterlogging, and low temperatures and should not place our hopes on favorable weather. To guarantee a good harvest next year, the most important tasks are; first, to apply more manure and chemical fertilizer; second, to plant earlier; and third, to keep flood and waterlogging works in good maintenance. With a success in these three tasks and other coordinated measures, we will have a more reliable guarantee for grain increase.

Political work is the lifeline of all economic work. The key to putting into effect all measures for production increase lies in boosting the enthusiasm of peasants for planting grain and the enthusiasm of cadres for attending to grain production. We should reeducate cadres and people that agriculture is the foundation. We should educate and encourage peasants to grow grain. We should mobilize all trades and professions to support agriculture, and help peasants overcome the difficulties in fund supply, and in grain marketing and storage. Our province enjoys fairly favorable conditions for grain production. As long as people attach importance to it and solve all practical problems, grain production will certainly be promoted. Unless we encounter a natural disaster irresistable with human forces, it is totally possible to restore the output to a level prior to the disaster in next year.

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CSO: 4007/236

LIAONING COMMENTARY ON CARRYING OUT RURAL REFORM

SK260526 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 18 Jan 86

[Station commentary: "Strengthen Our Confidence, and Carry Out the Rural Reform Penetratingly and Successfully"]

[Text] At the end of 1985, the people had various different opinions regarding the situation of the provincial rural economic reform. At present, with the beginning of this new year, the rural work conference of the provincial CPC Committee, through relaying and studying the guidelines of the central rural work conference and summing up and exchanging experiences regarding the province's second step of the rural reform, has reached a unified and correct understanding of the current situation, has strengthened the people's confidence in reform, and has defined the orientation and guiding ideology for reform. We believe that fresh headway will certainly be made this year in the province's rural reform under the guidance of the principles of consolidation, mastery, replenishment, improvement, and preserving the advantages and discarding the disadvantages.

Last year, following the introduction of the system of contracted responsibilities with remuneration linked to output, our province's rural areas made an important step and achieved extremely remarkable results in reforming the system concerning the unified and fixed purchases of agricultural products and in readjusting the set-up of production. The major indicator of this is the revitalization of the rural economy. Other indicators are: The broad masses of peasants have become increasingly enthusiastic in developing production to meet market needs; lateral integration in the commodity economy has developed to a degree; the development of forestry, animal husbandry, fisheries, and the processing and service trades, which were always relatively backward in the past, has been strengthened, and the rural areas are advancing along the road of comprehensive management and coordinated development.

Last year, despite the fact that it was hit by catastrophic natural calamities that made grain output decline by a large margin, our province witnessed a situation in which the market was stable and the people's minds were at rest thanks to the activity of people's governments at all levels in combating disasters and sending relief to disaster areas and the efforts of the masses in providing for and helping themselves. Through the readjustment of the

production set-up, the average income of peasants throughout the province did not decline, and the total social product of the rural areas increased by 12.1 percent over 1984, a record year.

Practice shows that the principles and policies for the rural reform are correct and successful. As long as we adhere to and penetratingly grasp the reform, the rural situation will become better and better. Just as peasants have said, without the rural reform, there would not be the excellent rural situation that exists at present. Of course, there is no denying the fact that many problems also exist amid the present excellent situation. For instance, after abolishing the system of unified and fixed purchases, some places by no means sign contracts with peasants through negotiations; they in fact depend on administration and orders to change contracts to notice. In some places where circulation channels are clogged, peasants still find it hard to sell their goods and buy what they want. Furthermore, some peasants' enthusiasm in growing grain has begun to dampen. All these problems have attracted the attention of leaders at all levels. However, the question of how to approach these problems is a key link. Some people think that such problems have resulted from the reform and there is no difference between opening and not opening to the outside world, and thus advocate going back to the old road of unified purchases and marketing. Such a statement is obviously wrong. In fact, those problems that have emerged in the work should be solved through reform. Because the reform is a pioneering cause, it is merely a fantasy to demand perfection of reform. In particular, it is impossible for us to avoid meeting with difficulties and setbacks in reforming the unified and fixed purchases system that has been followed for more than 30 years, and in vigorously developing the rural commodity economy. Confronting some problems is an inexorable phenomenon in the course of replacing the old economic structure with a new one. When the urban and rural reforms meet, the relationships of interests among various fields will become more complicated, and more problems will probably emerge. But we should by no means stop our reform, nor back track just because of the emergence of problems. The problems emerging in the course of reform can be solved merely by adhering to and penetratingly grasping the reform.

To this end, the CPC Central Committee set forth the guiding ideology for the reform in 1986--that is, we should, on the one hand, consolidate, master, and replenish the already-scored achievements in reform, preserve the advantages and discard the disadvantages of the reform, and solve conspicuous problems in order to obtain even greater results from reform, and, on the other hand, we should conduct conscientious investigations and studies, and do experimental and exploratory work well in order to prepare for making important progress in the next step of reform. This guiding ideology has defined the orientation for the further reform of the province's rural areas.

The main purpose of the rural reform is to perfect the socialist production and exchange methods in order to help mobilize the inner vitality of the rural economy. In accordance with this guiding ideology and in line with the specific situation of our province, the provincial CPC Committee has set forth the following main tasks for the provincial work in 1986: We should penetratingly carry out the second step of the rural reform, continue to readjust the

rural production set-up, further implement various policies concerning the rural economy, perfect and develop the rural cooperative system, strive to raise the rural planned commodity economy to a new level, and strive to lay a solid foundation for the realization of the Seventh 5-Year Plan. To carry out these tasks, we must enhance our spirit; strengthen our confidence; persistently attend to the rural reform; and promote the sustained, steady, and coordinated development of our rural economy through penetratingly grasping the reform.

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CSO: 4007/236

LIAONING RIBAO EDITORIAL ON TAKING AGRICULTURE AS FOUNDATION

SK300854 Shenyang LIAONING RIBAO in Chinese 14 Jan 86 p 1

[Editorial: "The Idea of Taking Agriculture As the Foundation Should Not Be Changed"]

[Excerpts] Many years ago, we set forth the method of taking agriculture as the foundation, and regarded this method as a strategic principle for developing the national economy. But the improvements in agricultural production in recent years have given rise to such a phenomenon as thinking of the "foundation" when going hungry, but forgetting the "foundation" when having enough to eat. In particular, along with the emergence of the secondary and tertiary industries in the rural areas, which have lowered the proportion of agriculture in the output value of the national economy, some comrades have underestimated agriculture, and even considered outdated the idea of taking agriculture as the foundation. Then they have relaxed their leadership over agriculture and reduced investment in agriculture. This is a very dangerous tendency.

Over the past few years reform undertakings have brought vitality to not only the rural areas and agriculture, but also to cities, industry and various other professions and trades. But by no means should we assume that all agricultural problems have been solved, and still less should become swollen-headed because of several days of good eating. It should be noted that provincial agriculture has just begun to flourish, our production set-up is not reasonable enough, our production conditions are still very poor, and our production technologies are still very backward. In short, our agricultural productivity is still very low, our foundation is still very weak, and both of them cannot meet the demands of industrial development and the increasingly greater consumption of the urban areas. So far as grain is concerned, at present the amount of grain owned per capita is only 700 jin in the province. This is a very low level. Every year the state must transfer some grain to the province to make up the grain deficiency. This is the problem. We must make great efforts to solve this problem and strive to become self-sufficient in grain. Moreover, agriculture involves not only grain, but also vegetables, cash crops, forestry, animal husbandry, and fishery. Because we have just made a beginning in this regard, there must be many problems which need to be solved. Therefore, it is wrong to treat them lightly.

Of course, matters concerning agriculture are not matters of the rural areas alone. The urban planning, industrial and communications, financial and trade, scientific and technological, and cultural and educational departments should all show concern over the vitalization of the economy and regard the work of serving agriculture as their own duty. Such departments should not undermine the foundation of agriculture in all directions, but should do their little bit to help build the foundation for agriculture, and offer advice for enhancing agricultural productivity. The work of taking agriculture as the foundation should be embodied in the distribution of the investment in capital construction. To make economic development full of reserve strength, we must try our best to change the production conditions, apply new sciences and technologies, and increase the investment in agriculture. Financial departments at all levels should release as much money as possible and put it in agriculture in order to stop the progressive decrease in agricultural investment. At present the policies of the CPC Central Committee and the provincial CPC Committee concerning agricultural development are explicit. So long as we unify our thinking, adhere to reform, and exert ourselves in work, we will certainly effect even greater progress in agriculture and reap rich fruits from the vast expanse of fields, just like the fruits we reap from industry.

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CSO: 4007/243

INVESTIGATION ON ARBITRARILY OCCUPYING ARABLE LAND

SK300249 Shenyang LIAONING RIBAO in Chinese 13 Jan 86 p 2

[Excerpts] Many readers wrote to LIAONING RIBAO and reflected that at present, the situation of arbitrarily occupying and utilizing arable lands has been serious in the rural areas of the province. Recently, our reporters have investigated more than 10 counties, and the investigation results show that our province has lost control of the utilization of land and the decrease in the areas of cultivated land is shocking. According to the statistics released by the relevant departments, from 1979 to 1984, the province as a whole reduced 2.95 million mu of cultivated land, showing an average annual decrease of nearly 500,000 mu.

Over the past few years, our province has initiated a fairly large number of construction projects. The requisition on part of the lands is necessary. However, this is not the reason for the decrease in cultivated land. Actually, it is caused by the low consumption of grain in recent years. The people's sense of cherishing the land is getting blunted and they begin to wantonly occupy and utilize the cultivated land. This is manifested mainly in the following:

1. In developing market towns and building roads in townships and towns, the people have failed to proceed from their needs. They have lopsidedly looked for large and wide pieces of land, thus appropriating large tracts of cultivated land.

2. In the course of invigorating the economy and readjusting the production structure, the township enterprises have improperly appropriated a great deal of cultivated land. Peasants have built houses, carried out mining operations, collected sand, and built fish ponds on their contracted land. Such a situation can be seen everywhere. In recent years, in townships and villages alone, the province has built nearly 13 million brick houses on at least 60,000 mu of land, lots of which are cultivated lands.

3. The construction of small towns and market towns has been carried out in a blind manner, thus destroying lots of cultivated land. Most of the lands for such purposes were appropriated without approval.

4. Some state construction units have pursued convenience and easy labor. They are not willing to use wasteland and poor land. Thus, they have taken over lots of good cultivated land for use.

According to an initial analysis, there are two reasons for our province's failure in controlling the utilization of land:

First of all, the land management organs fall short of what is required of the reality.

Second, some leading departments have failed to pay full attention to land management and to provide effective support. Some leaders have replaced laws with their own power, thus making some land management departments unable to fully display their functional role.

Judging from the situation of development, the trend of having a decline in cultivated land in the province will not change by the end of this century. Our province has limited natural resources as well as limited tillable wasteland. On what should we depend in order to balance the situations of limited land resources and the unceasing economic development? We have only one method for this. That is: The land administrative departments of the governments at all levels should adopt resolute measures; strictly control the scope of land appropriation; resolutely stop the situation of arbitrarily occupying, utilizing, and wasting cultivated land; strengthen the macroeconomic guidance in land utilization; and rationally use all land resources. We cannot tolerate the practice of anarchism of wantonly occupying cultivated land to continue and to bring great suffering to the future generations.

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CSO: 4007/243

LIAONING PEASANTS OVERCOME 1985 FLOODS, STORMS

OW100910 Beijing XINHUA in English 0903 GMT 10 Jan 86

[Text] Shenyang, 10 Jan (XINHUA)--Liaoning peasants overcame storms and floods last year to produce a record output value for the province's rural areas, an official here said.

High winds and serious flooding hit 1,620,000 hectares or 44 percent of the province's farmland last year.

However, output value from rural areas totalled 20.4 billion yuan--11 percent higher than the pervious record set the year before.

Provincial authorities attributed this to the restructuring of rural production.

First, the rapid development of rural industry has protected peasant incomes to some extent against natural disasters. Rural industrial output value last year came to 13.2 billion yuan--60 percent of the total rural output value.

Grain output in the rural counties under the administration of Haicheng city, which was badly hit by flooding, fell from 650,000 tons in 1984 to 200,000 tons. But the loss was made up for by rural enterprises which earned 1.1 billion yuan. The social output value of these counties totaled 1.4 billion yuan, which was more than the previous year.

The development of forestry, animal husbandry and fish farming has also boosted local income. Tieling city, for example, earned 20 percent more last year through developing animal husbandry and fish farming.

Liaoning Province also increased crop varieties last year. This enabled some melons and vegetables to ripen before the flood season.

Liangshan town in Xinmin County planted an extra 4,700 hectares of water-melons and planted 2,000 hectares of old maize fields with rice. This resulted in a 10 yuan per capita increase in income despite the storms.

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CSO: 4020/173

SHENYANG IMPROVES WINTER VEGETABLE SUPPLY

OW231115 Beijing XINHUA in English 0650 GMT 23 Jan 86

[Text] Shenyang, January 23 (XINHUA)--The variety of vegetables on the markets in Shenyang, a heavy industrial city in northeast China's Liaoning Province, has been doubled this winter, thanks to the city's reform of pricing and distribution mechanisms.

A deputy manager of the city's vegetable company told XINHUA today that vegetable shops in the city, which has a population of 2.8 million, sell a total of 30 varieties, and the quantity averages 500 grams per capita daily.

"Compared with last year," he said, "sales of relatively expensive sweet peppers, cauliflowers, tomatoes, chives, cucumbers and kidney beans increased, while those of cheap cabbage, turnips and potatoes decreased."

With temperatures dropping to 30 degrees below zero centigrade in winter, vegetables are in short supply for half a year in Shenyang.

To improve vegetable supply, last year the city allowed shops to directly purchase vegetables from peasants.

Meanwhile, it encouraged to grow vegetables by granting them more power in planning and allowing prices to float according to supply.

As a result, the outskirts provided the urban area with more than 450,000 tons of vegetables last year, averaging 170 kg per person.

The area of cold frames, which are used to grow vegetables in winter, increased by 200 hectares to reach 1,130 hectares, in addition to 530 hectares on peasants' private plots.

The city has also shipped in 2,750 tons of fresh vegetables from South China since last November.

In 1985 it built 14 vegetable wholesale centers and opened 71 peasant markets, and a temperature-controlled railway warehouse for vegetables was built with an investment of 830,000 yuan.

Vegetable peddlers in the city now number 10,000.

"This winter, prices of vegetables were about the same as last year," the deputy manager said.

The city plans to put 8,530 tons of vegetables on the market during the Spring Festival, which begins February 9, eight percent more than in 1985.

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CSO: 4020/193

BRIEFS

FLOOD-PREVENTION SCHEME LAUNCHED--Shenyang, January 27 (XINHUA)--Liaoning Province will carry out a 230-million-yuan scheme over the next five years to prevent the Liaohe River from flooding, Vice Governor Bai Lichen announced today. The river, China's seventh-longest, has flooded seven times since 1949. Last year, 427,000 hectares of farmland was flooded and many houses were swept away. "The disaster has taught us a profound lesson," Bai told the provincial people's congress. Although a large number of water conservancy projects were built in the past 36 years, he said, people had slackened their vigilance against flood since the 1970s when drought became their main concern. The provincial people's congress has decided to strengthen 400 kilometers of dykes, and remove houses from high-risk areas. It has also adopted a series of policies to protect the interests of the peasants involved in the removal. Bai said that by 1990, the dykes should be able to withstand even major floods. The 230-square-kilometer river valley contains eight industrial cities, including the Liaoning capital of Shenyang, and 17 of the north-eastern province's 19 major grain-producing counties. [Text] [Beijing XINHUA in English 0639 GMT 27 Jan 86 OW] /12712

LIAONING RURAL SITUATION--Last year, despite being hit by catastrophic natural calamities which resulted in a substantial decline in grain output, the total income of the rural areas in Liaoning Province reached 23 billion yuan, a 12 percent increase over 1984, the previous record year; and per-capita income reached 460 yuan, slightly more than that of 1984. [Summary] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 15 Jan 86 SK] /12712

CSO: 4007/232

NEI MONGGOL CHAIRMAN ON PASTORAL ECONOMIC DEVELOPMENT

SK260746 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Jan 86

[Text] In his report to the regional meeting of banner and county CPC Committee secretaries, Comrade Bu He said: The economic development of the pastoral areas of our region was markedly accelerated in 1985. Major manifestations were as follows:

First, we instituted and improved the contract system for the management of grassland and livestock more rapidly. Thus far, we have basically completed the task of fixing the prices of livestock and selling livestock to herdsmen households. The ownership of nearly 900 million mu out of the 1 billion mu of usable grassland throughout the region has already been decided. Of that, more than 760 million mu was distributed to herdsmen households either with the right of utilization given to them or under contract for management.

Second, people raised their awareness in planting trees and grass for livestock breeding. Last year, 9 million mu of trees and 6.92 million mu of grass were planted, and 4.78 million mu of artificial grassland was constructed.

Third, we began to attach importance to urban-rural cooperation, and the work of introducing investment from abroad and establishing lateral ties at home. The pastoral areas established ties with urban areas and with industrial and mining enterprises to bring in technologies and funds to develop joint ventures and cooperation. Since 1984, the pastoral areas have carried out 80 projects concerning the import of technology, and the funds they have already brought in or are planning to bring in total 36 million yuan. Although this work is only in the beginning stages, it actually represents a breakthrough for the pastoral areas, whose economy was in a closed situation for a long period of time.

Fourth, new progress was made in encouraging the urban areas to support the pastoral areas, encouraging industrial enterprises to support livestock breeding, and encouraging all trades and professions to help the pastoral areas in economic and cultural development. A total of 15 out of the 29 projects concerning support decided on at the 1984 pastoral work conference have been completed or are being carried out. A total of 106 television relay stations and 439,000 square meters of school buildings were built in pastoral areas, and 10 of the 15 banners and counties without electricity supplies have been supplied with power.

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CSO: 4007/232

NEI MONGGOL CHAIRMAN ON RURAL, PASTORAL ECONOMIC DEVELOPMENT

SK270609 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 25 Jan 86

[Text] In his report to the regional meeting of banner and county CPC Committee secretaries, Comrade Bu He stressed: We should conscientiously implement the guidelines of the National Rural Work Conference and various policies, continue to deeply carry out reform, and promote a sustained, steady, and coordinated development in the economy of the rural and pastoral areas. He said: It is necessary to further strengthen the ideology of taking large-scale agriculture as a foundation, adhere to the economic construction principle of taking forestry and animal husbandry as major production fields while diversifying the economy, continue to stabilize, improve, and develop the diversified forms of the contracting responsibility system, vigorously and steadily readjust the production structures in the rural and pastoral areas in line with the objective law of the current production development and the natural conditions of various localities, and encourage the peasants and herdsmen to develop various kinds of family-based cooperative and integrated businesses in accordance with the principle of voluntariness and mutual benefits.

Comrade Bu He said: First of all, the CPC Committees and governments at all levels should grasp the pastoral work as a major matter which might affect the whole situation of the region in line with the demands and plans put forward by the two regional rural work conferences. This year, we should basically complete the work of implementing the responsibility system while contracting grassland to households and haote [meaning unknown] in order to further enhance the enthusiasm of the broad masses of herdsmen in building the grassland.

Second, we should actively develop forestry and grassland cultivation, continue to adhere to the principle of encouraging the state, collective, and individual units to jointly participate in the work, integrate the development of grassland with shrub and trees, and implement the policy of whoever plants them may own them. The planning, financial, and scientific research departments at all levels should take the development of grassland and forestry as their major tasks and should make arrangements for and support them.

Third, we should not relax crop cultivation while diversifying the economy. In line with our region's actual situation, this year, the grain farming acreage of the whole region should be stabilized. The areas which greatly reduced their farmlands last year should properly expand their grain farming acreage,

and exert strenuous efforts to raise the per unit area yield of grain to ensure a stable growth of grain. We should adopt appropriate economic policies to ensure that peasants who produce more grain will have actual benefits.

Fourth, we should vigorously and steadily develop township enterprises. At present and in the future, we should lead the township enterprises to shift the focus of development to the processing industry of farm, animal by-products, and sideline products, and the service industries of storage and transport of these products. All localities may also vigorously develop mining and the building materials industry in line with their own local conditions and in accordance with the relevant state stipulations. It is necessary to develop more family-based individual and joint-household enterprises. In most pastoral areas in particular, the development of township enterprises is just a beginning. These areas may operate some enterprises in line with the principles of suiting measures to local conditions, acting according to one's capability, and giving appropriate support by the state.

Fifth, we should strengthen purchase, invigorate the circulation channels, and enable the peasants and herdsmen to have more real benefits from developing production. The state commercial and supply and marketing departments should fully display their role as the circulation channels, attend to the purchase of farm, sideline products, and animal by-products by adopting the economic contracting system, and vigorously open more markets in an effort to invigorate business. We should actively develop village trade fairs, and encourage peasants and herdsmen to serve as workers or to engage in business.

Sixth, we should strengthen the building of basic farmland grassland and water conservancy facilities, actively popularize agricultural and animal husbandry science and technology, and mobilize the enthusiasm of the masses in building farmland and pastoral land and in applying science and technology at any time by means of the policies of whoever develops the land may own the benefits and whoever exerts great efforts and spends more on his land may receive greater benefits. The existing basic facilities should be protected and managed in a better manner so that they may continue to display their role.

Seventh, we should do a good job in helping the poor, work out feasible plans for helping the poor become better off, and implement these plans through the effective efforts of the cadres at all levels.

Eighth, all fronts, all trades and professions should firmly foster the idea of taking large-scale agriculture as a foundation, and provide effective and inexpensive social services for agriculture and animal husbandry. We should absolutely oppose the practice of proceeding from the partial interests of each specific unit and department while doing everything and the erroneous ways of doing things such as extorting benefits from the peasants and imposing unreasonable burdens on them.

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BRIEFS

NEI MONGGOL GRAIN BASES--Through 3 years of efforts, Nei Monggol has achieved encouraging results in the construction of its marketable grain bases. This year the 15 marketable grain base banners (counties) throughout the region planted more than 13 million mu of grain and soybeans, 26 percent of the total grain and soybean areas of the region. They produced 4.68 billion jin of grain, 39 percent of the total grain output of the region. The oil-bearing seed output and the beet output of these banners and counties amounted to 44.7 and 64 percent, respectively, of the region's total. These 15 marketable grain base banners (counties) provided a total of 1.35 billion jin of marketable grain, amounting to 50 percent of the region's total. [Excerpt] [Hohhot NEIMENGGU RIBAO in Chinese 24 Dec 85 p 2 SK] /12712

NEI MONGGOL OIL-BEARING SEED--By 25 November Nei Monggol had purchased 515.85 million jin of oil-bearing seeds, overfulfilling by 15.85 million jin the annual target of contract purchase and showing an increase of 170 million jin over the same period of last year. This year the region expanded its oil-bearing crop areas by more than 3.3 million mu, and its output reached 1.7 billion jin, some 400 million jin more than last year. It is expected that the region can purchase 700 million jin, 300 million jin more than 1984. [Excerpts] [Hohhot NEIMENGGU RIBAO in Chinese 23 Dec 85 p 1 SK] /12712

1985 AGRICULTURAL PRODUCTION--In his report to the regional meeting of secretaries of the banner and county CPC Committees, Comrade Bu He said that the region still reaped bumper agricultural and livestock harvests in 1985, despite the fact that some areas suffered serious natural disasters. The total grain production reached 12.1 billion jin, an increase of 210 million jin over 1984. The output of oil-bearing crops and beets, respectively, reached 1.5 billion jin and 5 billion jin, respectively showing increases of 26 percent and 77.9 percent over 1984. The region set historical records with regard to output of grain, oil-bearing crops, and beets. By the end of 1985, the total number of animals reached 30.96 million head, an increase of 210,000 head over the corresponding period of 1984. Notable increases were registered in the number of animals slaughtered and sold as commodities. [Text] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Jan 86 SK] /12712

CSO: 4007/232

FARMLAND IMPROVEMENT HIGHLIGHTED

Yinchuan NINGXIA RIBAO in Chinese 3 Oct 85 p 1

[Article by Wang Jiangpeng [3769 3068 7720]: "Region's State Farm and Land Reclamation System Perseveres in Carrying Out Farmland Capital Construction; Suits General Method to Local Situations for Comprehensive Control"]

[Text] State-owned farms subordinate to the Ningxia Autonomous Region State Farm and Land Reclamation Bureau are persevering in year-round capital construction of farmland, full and equitable use of land and all agricultural resources, maintenance of a benign cycle in the agricultural ecology, steady improvement in production conditions, advancement of all-around development of farming, forestry, animal husbandry and sideline production, and improvement of economic results.

Formerly when agricultural production was adversely affected by "leftist" ideology, the soil was farmed but not nurtured in a plundering style of production that caused ever increasing deterioration of the soil structure. Following the 3d Plenum of the 11th CPC Central Committee, the state farm and land reclamation system operated farms cared for by families of staff members and workers. This aroused the enthusiasm for production of the broad masses of staff members and workers. They regarded farmland capital construction as a boon to sustained increases in agricultural yields and a rise in economic results. Since the beginning of this year, they have taken the following four actions:

1. Digging of drainage ditches. After the summer harvest, all farms used the time between busy periods in farming to clean out irrigation and drainage ditches. As of 25 September, they had dug out 123 main irrigation ditches, branch ditches and drainage ditches, moving 540,000 cubic meters of earth. The soil at Qianjin Farm is very saline, so year-round digging of ditches was continued there. During 1985, 66 ditches totaling 40,000 meters in length were dug, necessitating the movement of 80,000 cubic meters of earth.

2. Nurturing soil fertility. They practiced "three make sures" as follows. First was to make sure to return crop stalks and stems to the fields. The whole state farm and land reclamation system has 200,000 mu of wheat and barley stems and sunflower stalks, all of which were plowed back into the soil for a considerable alteration in the soil's physical and chemical

properties and a rise in its organic content. Second was to make sure to grow green manure. Fifteen state-owned farms are now growing 28,000 mu of green manure to increase organic matter in the soil. This plays an active role in the prevention of soil salinization. Third was to make sure to fertilize in the fall. All the farms in the state farm and land reclamation system fertilize the fields in fall every year using more than 400 million jin of farmyard manure yearly. In 1985, a 130,000-mu area was fertilized in the fall.

3. Leveling of fields and preparation of the soil. Throughout the system, 28,000 mu of fields has been releveled, and now 90 percent of the area meets standards for consistently high yield fields. The soil on farms in Changshantou was uneven, making it difficult to irrigate the fields properly and protect crop seedlings. During August and September 1985, the farm mobilized all staff members and workers to integrate the leveling of fields, the preparation of the soil, the digging of drainage ditches, and the construction of irrigation ditches for all-around control using both manpower and machines. Now there are 5,000 mu of level fields, providing a foundation for agricultural production in 1986.

4. Deep plowing of the soil. Following the summer harvest in 1985, all farms took advantage of the opportunity to use machines for the deep plowing and sunning of 140,000 mu of wheat and barley fields so that the soil would become friable and the cultivated layer increase.

Thanks to the unremitting yearly perseverence in farmland capital construction, the area producing consistently high yields has increased gradually and a bumper crop has been harvested for 5 consecutive years. Grain yields have increased 5.4 percent annually.

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CSO: 4007/71

BETTER MANAGEMENT OF NINGXIA'S GRASSLANDS

Yinchuan NINGXIA RIBAO in Chinese 9 Oct 85 p 1

[Article by Zhou Xuan [0719 2467]: "Region's Grassland Enterprises Develop Rapidly; Implementation of Grasslands Control Regulations and Stabilization of Grasslands Use Rights"]

[Text] Ningxia' grassland enterprises have developed rapidly in recent years. The entire Autonomous Region's artificially sown grassland area amounts to 1.91 million mu, and the usable natural pastureland area is 38.38 million mu. Destruction and regression of the grasslands has been substantially controlled. In the southern mountain region, the lack of grass is less serious than formerly, and the environment is being gradually improved.

In developing the grasslands, Ningxia's Animal Husbandry Bureau has taken the following actions in conjunction with cities and counties:

1. Complete implementation of "Trial Regulations for Control of Grasslands in the Autonomous Region," stabilization of grassland use rights, and institution of a grasslands production responsibility system. All these things have been done in seven counties of Yinnan Prefecture and in Shizuishan City. It is expected that they will be completed at the end of 1985. All the counties of Guyuan Prefecture have set up pilot projects, and in all the villages, brigades and farms where grassland use rights have been stabilized, the grasslands are under someone's control; the person in control has rights; these rights carry responsibilities; discharge of the responsibilities produces benefits, and reckless reclamation of grasslands for farming, digging up of the turf, cutting of vegetation and overpasturing have been halted. Natural plant cover on the grasslands has revived markedly to set the stage for further development of grassland enterprises.

2. Simultaneous with care and improvement of the natural range has been energetic expansion of the planting of grass and intensive management of the grasslands for the creation of small areas that are of vastly greater economic value than the natural range. In Guyuan Prefecture in particular, the planting of grass has gone ahead very rapidly, the fine pasture grass area covering more than 80 percent of the area sown to grass throughout the prefecture. Incomplete statistics show 140,000 households as having sown between 1 and 10 mu of grass throughout the prefecture; 6,000 households as

having sown between 11 and 20 mu; and quite a few households as having sown 40 mu or more. The large rise in the number of households specializing in the planting of grass has greatly moderated the pressure of livestock on the grasslands and has set the stage for synchronized cattle husbandry. During 1985 Ningxia's grassland stations will highlight grass growing in developmental areas, setting up three 10,000-mu pilot project areas in the key developmental areas of Zhongning, Wuzhong and Helan counties where they will plant 33,000 mu of grass. They have also set up grass seed bases at three sites including Hukengta in Zhongning County, Caotaizi in Qingtongxia City, and Huangshawo in Wuzhong City and have introduced and popularized the growing of fine perennial grasses such as esparcet [Onobrychis sativa] and shadawang [3097 2092 2489], suiting the grass to the land on the basis of natural conditions in various areas.

3. Launching of scientific experiments and resource surveys for steady increase in the growing of grass and improvement of the range through supplementary sowing. In recent years, Ningxia's grasslands stations have set up 35 fixed grassland observation sites throughout the Autonomous Region while carrying out, at the same time, surveys of grassland resources throughout the Region and conducting field surveys of meadow type natural protection zones. A 200,000-word "Survey Report on Grassland Resources in Ningxia" has been written, and an "Overall Plan for Meadow Type Natural Protection Zones" has been formulated to provide a scientific basis for the care, use and development of Ningxia's grasslands. The Regions's grassland stations have also begun an experiment in fencing of the grasslands by households specializing in animal husbandry in Taole and Lingwu counties. They have conducted experiments in alternately closing off and harvesting in salt pond dryland areas. These experiments have helped alter the seasonal uneveness in supply of fodder grass and the inequitable use of the grasslands.

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CSO: 4007/71

PLANS LAID FOR PROCUREMENT OF SUGARBEET CROP

Yinchuan NINGXIA RIBAO in Chinese 3 Oct 85 p 1

[Article: "Large Quantity of Sugar Beets To Be Purchased in 1985 and Time Is Short; Yinchuan Sugar Mill Manager Sends Letter to Newspaper Calling For Concentration of Forces for Procurement so that Peasants Do Not Suffer Losses"]

[Text] Sugarbeet growth in Ningxia has been heartening during 1985 and a bumper crop is in view. The procurement seasons is near at hand. This year's sugarbeet procurement work will be characterized by large quantities to be purchased over a wide area in a very short time, posing high requirements. How can a good job be done in sugarbeet procurement this year? Yinchuan sugar mill manager Wang Shulin [3769 2885 265] recently wrote a letter to the newspaper that spelled out the need to use every available means to concentrate forces to do a good job of procurement so peasants do not suffer losses!

In his letter, plant manager Wang Shulin forecast a gross output of between 160,000 to 180,000 tons of sugarbeets in 1985 from the area from which the Yinchuan sugar mill draws its raw materials. This will be 30,000 to 40,000 tons more than in 1984. These sugarbeets are found in 12 state-owned agriculture, forest and livestock farms and among more than 40,000 peasant households. They amount to approximately 140,000 cartloads. Since the sugar mill was enlarged in 1985, the time for procurement has been delayed somewhat; nevertheless, since the peasants are anxious to sell their beets, clear the land, and irrigate it for winter, in order to complete the procurement task, maintaining both quality and quantity, and so the peasants will not suffer losses, the sugar mill has decided to take the following six actions to guarantee procurement.

1. To use the 10 days before procurement begins to run training classes for procurement station chiefs and for personnel who man the scales, who check the scales, who examine quality and make deductions for materials included that are not sugarbeets, and who keep accounts, receive and pay out money. This will be done so procurement personnel are thoroughly familiar with their duties and responsibilities, to increase their vocational skills and work capabilities, thereby improving quality of service and work efficiency.

2. Launching of a campaign to set up courteous procurement stations. Procurement personnel should be modest and considerate. They should work selflessly for the public interest and singlemindedly render service to sellers. Clearcut standards for the checking of all procurement stations have been formulated with provisions made for regular evaluation and comparison, and expression of public opinion. Orderliness of procurement is to be an important part of checking that will be linked to the individual's wellbeing.

3. Formulation of strict discipline in procurement and measures for rewards and punishments. Those who used their positions to engage in collusion or graft, to create difficulties for or to beat and curse peasants, or to solicit gifts and accept bribes, shall be severely punished following investigation and verification, and all disciplinary measures will be made public for public supervision. Reports from the public and praise or blame from news organizations are to be appropriately rewarded or penalized.

4. Increase in number of procurement points and lengthening of procurement period to accommodate sales by peasants. In 1985, five procurement points will be added including those at the Huangyangtan Farm and at Zenggang. In addition, the sugar mill is to disburse funds to add scales at Yesheng, Yanghe, Xigang, Fanchang and Sishilidian. Every procurement station and site will work a 12-hour day, and procurement will be completed on the day for which sales coupons were issued. Arrangements for sugarbeet procurement outside of plans are to be discretionary, depending on how busy the day's procurement has been. It is anticipated that daily procurement during 1985 will be 30 percent or more higher than in 1985.

5. Abiding by contracts. All units or individuals who signed sugarbeet procurement contracts at the beginning of the year are assured of having their beets purchased and the contracts honored. Sugarbeets not provided for by contracts are to be procured in accordance with Ningxia Autonomous Region People's Government Office Document No 137 (84). Those who volunteer to store sugarbeets are to be paid a storage fee in accordance with regulations by the sugar mill.

6. Maintenance of procurement standards, with concurrent concern for the interests of the country, the sugar mill and the peasants. Any seller who wilfully resorts to deception or misrepresents the quality of products is to be punished in accordance with relevant regulations. In order to help the public exercise supervision, all procurement personnel at stations (or sites) are to wear an arm patch stating their duty (or position). The sugar mill will give a reward for important criticisms or suggestions from the public that are of value. In order to insure that procurement is carried out smoothly, the sugar mill will invite local government and public security units to help maintain order. Before procurement begins, weights and measures units will inspect scales. During the procurement period, all procurement states are to accept supervision and guidance willingly from local industrial and commercial units.

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CSO:4007/71

QINGHAI

BRIEFS

QINGHAI RAPESEED HARVEST--Xining, 24 Dec (XINHUA)--Qinghai Province achieved a bumper rapeseed harvest in 1985. Total output reached 193 million jin, or 32 percent more than the 1984 harvest. In 1985, the province had some 1.34 million mu of rape fields, exceeding the previous year's acreage by some 210,000 mu. The average yield of rapeseed per mu was raised to 143 jin from the previous year's record of 129 jin as a result of popularization of improved growing techniques. [Summary] [Beijing XINHUA Domestic Service in Chinese 1143 GMT 24 Dec 85 OW] /12858

CSO: 4007/216

BRIEFS

URGENT NOTICE ON WINTER IRRIGATION--The General Office of the provincial People's Government issued an urgent circular on 21 January demanding that the province immediately take measures to carry out winter irrigation work. The circular points out: The province has had very little precipitation since October. Rainfall in most places has been more than 80 percent below normal, and has been far from meeting the needs of the over-winter crops. Some of the wheat on the dry plains has turned yellow. The drought is rather serious. However, most places have failed to attach sufficient importance to winter irrigation, and large numbers of water conservancy facilities have not been brought into use. At present only 20 percent of the wheat has been given winter irrigation. According to the weather forecast, precipitation will remain below normal for a time, and the drought will continue to develop. The circular demands that all localities immediately take effective steps to promote winter irrigation. [Excerpt] [Xian Shaanxi Provincial Service in Mandarin 2300 GMT 22 Jan 86 HK] /12712

CSO: 4007/232

SHANDONG REPORTS ACHIEVEMENTS IN SECOND-STAGE RURAL REFORMS

SK250355 Jinan DAZHONG RIBAO in Chinese 29 Dec 85 p 1

[Excerpts] By earnestly implementing the spirit of Document No 1 issued by the central authorities, the broad masses of rural villages have achieved sustained and stable development in an all-round way in agricultural production in 1985, the first year, in which the province began to conduct the second-stage reforms in rural areas. The total grain output may reach more than 62 billion jin, an increase of more than 1 billion jin over the 1984 figure. The total cotton output may reach more than 22 million dan and the total peanut output may reach more than 50 million dan, topping the previous peaks. The production of jute, bluish dogbane, flue-cured tobacco, melons, and vegetables has shown an increase on a large scale. Undertakings in forestry, animal husbandry, sideline, fishery, and rural industries have achieved an all-round development. Calculated in terms of comparable items, the province's total agricultural output value may surpass that of 1984 by 12 percent and the total agricultural incomes may surpass that of 1984 by 7 percent.

The economic achievements are gratifying, and what is more inspiring is the life and vitality brought to the development of rural areas as a result of the reform work.

We have taken an important step in implementing the state policy on conducting reforms in managerial systems of the rural economy. In line with the provisions of Document No 1 issued by the central authorities in 1985, our province has changed the system of conducting the state-monopolized purchase contracts of grains, peanuts, and cotton, and has delegated much power in fixing the prices of aquatic products, hogs, poultry, eggs, vegetables, and fruits.

We have increasingly rationalized the structure of rural production. By earnestly implementing the guideline of "by no means slackening efforts to engage in grain production and actively developing a diversified economy," and in line with the principle of achieving an all-round development in agriculture, forestry, animal husbandry, sideline production, and fisheries and conducting comprehensive management among agriculture, industry, and commerce, localities throughout the province have actively and adequately readjusted the structure of rural production this year, resulting in an increase not only in the total grain output, but also in the variety of outstanding and best-sale

grains. The province has reduced the sowed acreage of cotton by one-third, and increased that of wheat, peanuts, and cash crops, including melons and vegetables, in line with the local conditions. The province has also achieved healthy development in establishing township-and town-owned enterprises, particularly achieving faster development in setting up new industries that are urgently needed by rural areas. It is estimated that the total incomes of the township-and town-run enterprises throughout the province in 1985 may show a 26.8 percent increase over the 1984 figure. At present, the province has more than 700,000 township-and town-owned enterprises that have accommodated more than 6.5 million staff members and workers who account for 22.6 percent of the total number among the rural labor force. Their fixed assets and circulation funds are worth more than 7.5 billion yuan, and they have thus become the vital power to change the natural economy of rural areas into a commodity one. Generally speaking, the province's work of readjusting the production structure in rural areas has been successful and the effects of the work have been remarkable.

We have further achieved development and improvement in carrying out the cooperative economy in rural areas. In developing and improving the new system of integrating the unified management with the decentralized one of households, localities throughout the province have actively carried out effective explorations in this regard this year. At present, more than 80 percent of villages throughout the province have established zonal economic and cooperative organizations at the village level.

We have accelerated the pace of carrying out development and construction in areas that are poor and have difficulties. While grasping well the work of areas and units with prosperous economies, the departments at provincial, prefectural, city, and county levels have generally paid attention to helping the backward and vigorously improving the weak links. The governors, mayors, county heads, and commissioners have exerted all-out efforts to carry out development in areas with mountains, islands, and lakes, and in the Huang He delta, and have basically scored achievements.

In facing the excellent situation, we should, however, remain sober-minded and note the newly-developed state of affairs and problems. Though our province has achieved rapid development in the rural economy and upgraded the standard of the people's livelihood, when judging from the situation as a whole, the rural areas throughout the province have only basically dealt with the problems concerning food and clothing, the wealth of the peasants has not been great, and the peasants' per capita income, for more than 10 percent of the total number of peasants throughout the province, has been under 150 yuan, causing many to still incur relative difficulties in their livelihood. The province's agricultural foundation has still been fairly poor, its ability to combat disasters has not been strong, and its production standard has also not been high. The province has only made a start in conducting the second-stage reforms that will deal with a wider range of problems and encounter greater difficulties. Therefore, it is necessary for the province to further conduct improvement and coordination in a large number of aspects. We should further do a good job in grasping work, thoroughly implement the party's policies on rural work, continuously and deeply conduct reforms, improve the production conditions, and organize commodity service in order to promote the sustained and stable development of the rural economy. All of these are important tasks in rural work for the upcoming new year.

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SHANDONG VICE GOVERNOR SPEAKS ON FARM MACHINERY

SK231010 Jinan Shandong Provincial Service in Mandarin 2300 GMT 22 Jan 86

[Text] At a recent meeting, Vice Governor Lu Hong stressed that in the new situation we should understand the position and functions of farm mechanization at a new level and with a foresight of development.

He said: Through hard work over more than three decades, farm machines in our province have become an important productive force, and have played or are playing an important role in stimulating rural economic development and in readjusting the production setup. Judging from the needs of future development, the functions of farm machines will become more important. First, following the gradual deepening of rural reform, the commodity economy has developed rapidly, the level of specialized production has become increasingly higher, and more and more labor forces will leave the farmland to engage in industrial production or business. This calls for improvement of the mechanization of planting and of labor productivity, and a narrowing of the income difference of those engaged in industrial production and those engaged in farming in order to protect the enthusiasm of peasants for managing farmland. Second, when the rural economy is developing toward modernization, specialized production and commodity production, we should replace outdated production tools and manual labor with advanced technology and equipment. Third, at present among the agricultural population of our province, the average per-capita possession of farm machinery property is worth nearly 100 yuan. We are responsible to manage and use farm machines well so that they can develop their functions and create wealth.

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CSO: 4007/236

BRIEFS

SHANDONG TOBACCO PROFITS--In 1985 the tobacco departments in Shandong Province earned 1.11 billion yuan of profits, an increase of 120 million yuan, or 21.8 percent over 1984. The proportion of quality tobacco leaves, the output of cigarettes, and the sales volume were the best in history. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 27 Jan 86 SK] /12712

SHANDONG GRAIN PRODUCTION--During the Sixth 5-Year Plan period, the per-capita possession of grain in Shandong Province surpassed the state average level. The annual average increase of grain production was 5.6 percent in this period. The per-capita possession of grain increased from 800 jin in 1984 to 810 jin in 1985. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 31 Dec 85 SK] /12712

CSO: 4007/232

SHANGHAI OUTSKIRTS DOUBLE INDUSTRIAL, AGRICULTURAL OUTPUT

HK190620 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English 19 Jan 86 p 1

[Excerpt] Shanghai: Industrial and agricultural output value doubled in the economically-developed outskirts of Shanghai over the last five years, officials said yesterday.

Speaking at a meeting of the Shanghai Agricultural Commission, they said the value topped 15 billion yuan last year--compared with 1980's seven billion yuan after adjusting for inflation.

Output value on the outskirts of Shanghai should quadruple well before the century ends, they said, contradicting earlier theories that quadrupling output value by 2000 was impossible in areas where production already was high.

The officials attributed the rapid increases in output value to China's ongoing economic reforms.

Since 1978, the country's responsibility system linking income with output has become widespread in the countryside. Last year, mandatory sales to the government were reduced, allowing peasants to sell far more of their goods at floating prices.

A recent survey by the local statistical office showed per capita income in the area averaged 807 yuan, double what it was in 1980.

On the outskirts of Shanghai, industry has become central to the economy, the local officials said.

Industrial output value rose 180 percent over 1980 last year to reach 8.8 billion yuan. While area residents once mostly farmed, about 1.1 million peasants, or half of the area's labour force now work in factories.

Last year, peasants on the outskirts provided domestic markets with 75,000 tons of eggs, 15 million chickens, three million hogs, 44,000 tons of freshwater fish and 130 million litres of milk.

The value of export commodities was 1.6 billion yuan last year, up 140 percent over 1980.

According to the officials, most families on Shanghai's outskirts own a television set, electric fans, a washing machine, a sofa and other durable goods.

Residents built housing with a total floor space of 55 million square meters over the last five years, bringing the per capita average to 25 square meters.

/12712
CSO: 4020/192

BRIEFS

WATER CONSERVANCY PROJECTS--During the Sixth 5-Year Plan period, although the state greatly reduced its investments in water conservancy capital construction in Shanxi Province, the areas of irrigated farmland in the province were still some 17 million mu. [Summary] [Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 23 Jan 86 HK] /8918

CSO: 4007/235

END

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26 February 1986

China Report

AGRICULTURE

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MINISTRY STRESSES STRENGTHENING LAND MANAGEMENT

OW280512 Beijing Domestic Service in Mandarin 1200 GMT 24 Jan 86

[By reporter (Wang Yanqing)]

[Text] The Ministry of Agriculture, Animal Husbandry, and Fishery recently called on all localities to take effective measures to strengthen land management and control arable land requisition by nonagricultural sectors during the Seventh 5-Year Plan.

The ministry urged the localities first of all to establish and improve land management offices at all levels, and strive to set up a land management network from top to bottom within 2 to 3 years, while adopting administrative, legal, and economic means to tighten application procedures for the use of land by nonagricultural sectors.

The ministry said: Units and individuals, having requisitioned land for nonagricultural purposes, should, in addition to paying economic compensation for the requisitioned land, undertake the obligation to reclaim or rehabilitate land for the state in order to make up for losses to agriculture.

The ministry also called on all localities to conduct a thorough investigation into cases involving seizure or unauthorized use of arable land. Whoever has illegally occupied arable land should be duly handled.

/12624
CSO: 4007/252

AERIAL SEEDING IMPROVES LOESS PLATEAU ECOLOGY

OW040955 Beijing XINHUA in English 0815 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA)--China has succeeded in greening the barren loess plateau with bushes and grass through aerial seeding, promising a new way to improve the ecology of Northwest China, according to the journal, science news.

Since 1980, aerial seeding has greened 160,000 hectares on four sections of the highland area, which covers 470,000 sq km, including parts of Shaanxi, Shanxi, Ningxia and Gansu provinces.

The notorious soil erosion of the loess plateau has given China's second-longest river its name--the Yellow River--and raised its riverbed several meters higher than the villages and cities along its lower reaches, threatening the safety of nearly 100 million people.

The Northwest Institute of Water and Soil Conservation of the Chinese Academy of Sciences first made aerial seeding experiments in Yanan prefecture, Shaanxi province, between 1975 and 1979.

The State Science and Technology Commission, the Chinese Academy of Sciences and the institute signed an agreement on further experiments in 1980.

With the cooperation of local governments and the Civil Aviation Administration of China (CAAC), the institute studied aerial seeding of milk vetch (astragalus adsurgens) and sea-buckthorn (hippophae rhamnoides) in four counties of Shaanxi province and the Ningxia Hui Autonomous Region between 1980 and 1985.

The institute reported that the most striking success was in the aerial seeding of milk vetch in areas with an annual rainfall of only 250-350 mm.

Scientists at the institute have also cultivated early maturing strains of milk vetch which can yield seeds and regenerate in cold regions.

/12624
CSO: 4020/208

EXPERTS URGE CHINA TO EXPAND NATURE RESERVES

OW050917 Beijing XINHUA in English 0655 GMT 5 Feb 86

[Text] Zhengzhou, February 5 (XINHUA)--Chinese forestry experts have suggested that the country triple its nature reserves to a total of 50.4 million hectares by the end of this century.

In a report to the Ministry of Forestry they also suggested that the area of nature reserves be expanded to 100.8 million hectares by the year 2030.

The report was submitted by 20 forestry experts after a 30-month survey which ended last November.

China has more than 27,000 kinds of plants of higher order and over 4,400 kinds of vertebrates, including species unique to China such as giant pandas, river dolphins and golden-haired monkeys.

China initiated wildlife protection in 1956. Now it has over 270 nature reserves, totaling 16 million hectares.

This, however, only accounts for 1.69 percent of China's total area and compares unfavorable with the world average level of 2.7 percent, the experts said.

Their suggested expansion of the country's nature reserves will raise the figure to five percent by 2000 and to 15 percent by 2030.

They also suggested the establishment of coastal nature reserves, of which China so far has none.

/12624
CSO: 4020/208

WATER CONSERVANCY PROJECTS' OUTPUT VALUE, PRODUCTIVITY

Beijing ZHONGGUO SHUILI [WATER CONSERVANCY IN CHINA] in Chinese No 12, 15 Dec 85 p 32

[Text]

[Table on following page]

Province, Region	1984						First half of 1985					
	Gross Output Value (10,000 yuan)	Project Output Value (10,000 yuan)	Productivity (yuan/person)				Gross Output Value (10,000 yuan)	Project Output Value (10,000 yuan)	Productivity (yuan/person)			
			calculated by gross output value		calculated by project output value				calculated by gross output value		calculated by project output value	
			Personnel	Deducting Personnel Not Directly Involved	Personnel	Deducting Personnel Not Directly Involved			Personnel	Deducting Personnel Not Directly Involved	Personnel	Deducting Personnel not directly Involved
National Total	58919	55086.7	5160	5468	4824	5112	27786.3	25559.6	2673	2836	2459	2608
Beijing	3467.6	3218.9	9656	9732	8964	9034	2007.2	1814.4	6620	6686	5984	6044
Tianjin	1040.7	880.2	10729	11589	9074	9802	373.6	255.3	4437	4699	3032	3211
Hebei	4090	3994	6148	6387	6003	6237	1394	1394	2637	2764	2637	264
Shanxi	1775.6	1693.7	4832	4858	4610	4634	573.2	459.7	1369	1402	1098	1125
Nei Monggol	1338	1281.4	4324	4415	4142	4229	345.3	312.3	1247	1313	1128	1188
Liaoning	1584	1484	2643	3022	2476	2831	585	522	1150	1269	1026	1132
Jilin	1478	1478	6182	6508	6182	6508	305	305	1276	1344	1276	1344
Heilongjiang	4519.4	4502.9	7105	7677	7079	7649	2057.7	2057.7	3477	3704	3477	3704
Shanghai	615.7	542.7	9947	10011	8767	8824	194	167	3477	3495	2993	3009
Jiangsu	1641.9	1526.2	4715	5727	4383	5323	1064.6	998.4	3027	3613	2839	3388
Zhejiang	2799	2794	4324	4373	4316	4365	1947.5	1878.4	3233	3350	3118	3231
Anhui	3849.6	3491.7	5519	5635	5006	5112	2172.2	1921.5	3195	3274	2826	2896
Fujian	1728	1700	5955	6093	5858	5994	903	875	2916	2965	2825	2873
Jiangxi	773	771	4340	4430	4329	4418	201	182	1241	1250	1123	1132
Shandong	1061	651	5060	5266	3104	3230	747.3	547.3	3135	3253	2296	2383
Henan	2371.6	2041	5200	5619	4475	4835	1609	1429.2	3482	3758	3093	3338
Hubei	1834.3	1669.5	5433	5842	4945	5317	1140.5	1083.8	3186	3440	3027	3269
Hunan	1865	1792	4314	4542	4145	4364	964.6	907.8	2504	2677	2357	2520
Guangdong	4972.9	4713	5358	5883	5078	5575	2523.1	2442.1	3441	3511	3330	3398
Guangxi	2375.9	1984.6	4191	4293	3501	3586	836	669.3	1651	1692	1322	1355
Sichuan	3225.4	3090.3	5055	5218	4813	4968	1338	1266	2907	3376	2751	3195
Chongqing	130.9	63.5	4777	5054	2318	2452	74.1	33.9	2422	2618	1108	1198
Guizhou	531.6	505.1	4229	5327	4018	5061	324.9	314.7	2823	3431	2734	3323
Yunnan	811	801	5360	5582	5294	5513	209	209	1446	1581	1446	1581
Xizang												
Shaanxi	2112.4	1775.4	4245	4679	3568	3932	1174	929.3	2543	2601	2013	2059
Gansu	1996.6	1923.8	3528	3671	3399	3537	1041.8	1041.8	2270	2404	2270	2404
Qinghai	1386.2	1362.4	5712	5771	5614	5672	257.2	235.4	1049	1051	960	962
Ningxia	1284.8	1284.8	5976	6038	5976	6038	487.3	487.3	2899	2955	2899	2955
Xinjiang	2259.1	2070.6	4303	4880	3944	4472	936.2	820	1820	2170	1594	1901

/6091
CSO: 4007/245

RURAL BANK LOANS, DEPOSITS MAKE BIG RISE

OW310908 Beijing XINHUA in English 0900 GMT 31 Jan 86

[Text] Beijing, January 31 (XINHUA)--Rural bank loans jumped 410 percent from 1981 to 1985 while savings rose 172 percent, according to the Agricultural Bank of China today.

The bank described this as indicating the growing prosperity of the Chinese peasants.

At the end of last year, the balance of rural bank savings totaled 72.5 billion yuan, and that of rural loans, 40 billion yuan.

Most striking was the growth in private deposits and loans in rural areas, the bank reported.

Rural private deposits had a balance of 56.5 billion yuan at the end of last year, 4.8 times the 1980 figure. Each member of the rural population deposited in the bank 67 yuan, up from 14 yuan at the end of 1980.

Individual loans had jumped over 12 times to 19.4 billion yuan, the bank said.

Most loans--to individuals and to collectives--were used to develop agricultural and industrial production in the past five years.

Before nationwide agricultural reform began in 1979--allowing farmers more autonomy in production and sales of their produce--people had used most loans to tide over bad times.

/12624
CSO: 4020/208

PRC HAS 3-YEAR PLAN TO CONTROL FARMLAND RAT INFESTATION

HK310517 Beijing CHINA DAILY in English 31 Jan 86 p 1

[By staff reporter Nie Lishen]

[Text] China has drawn up a three-year national plan to bring rat infestation under control on 24 million hectares of affected farmland and save the 15 million tons of grain eaten annually by rodents.

The state plans to spend 15 million yuan between 1986 and 1988 in the plagued areas where the rat density has reached five to 20 catches per hundred traps and caused considerable crop damage.

Based on research, improvements have been made in the cost, effectiveness and environmental impact of pest control. The plan emphases the wider use of slow raticides. Quick poisons will continue to be applied, but with less exposure to other living creatures.

According to Zhao Guizhi, an official of the National Plant Protection Station, the plan should yield 1.5 billion yuan by saving at least 5.2 million tons of grain losses caused by rats. The countryside is home for two-thirds of China's total rat population, estimated at 3 billion.

Since 1981, she said, rats had become a major farmland pest. The affected acreage had more than tripled to account for about 25 percent of the country's total cultivated area.

Last year, about 40 percent of sown acreage in Henan, Shandong, Sichuan and Shaanxi was infested, and 50 percent in Hubei and Anhui. The grain losses on the affected areas average at least 225 kilos per hectare.

Zhao said the recent rat boom was mainly the result of good grain production in recent years, giving pests ample food sources. Another important cause was the overhunting of rats' natural predators, such as weasels, martens, foxes, snakes and owls.

But chemical raticides had not yet been widely and effectively used to control rat infestation because of inadequate application technology and funds, she said.

BRIEFS

BERING SEA FISHING EXPEDITION--Dalian, February 10 (XINHUA)--A Chinese fishing boat has returned with full loads of cod from an expedition to the Bering Sea in international waters of the northern Pacific Ocean. The expedition was the first into the Bering Sea for a Chinese vessel. Chinese fishing fleets mainly operate in coastal waters. The 3,000-dwt trawler, from the port city of Dalian in Liaoning Province, netted 1,785 tons of cod. It left Dalian on November 13, 1985 and returned to the port on February 2. Gales, snows, hails, showers and mists were frequent on the Bering Sea during their operation, said Yu Liqi, chief engineer of the Dalian Marine Fisheries Company. [Text] [Beijing XINHUA in English 0250 GMT 10 Feb 86 OW] /6662

PLANNED FERTILIZER PRODUCTION--In 1986, it is estimated that the country will require more than 85 million tons of chemical fertilizer. Because the state has imposed restrictions on the issuance of licences for fertilizer imports, the volume of fertilizer imports will drop from the 12 million tons in 1985 to 8 million tons. In 1985, the nation had 13.6 million tons of fertilizer in reserve. In 1986, the state plans to produce 63.4 million tons. In this way, the 1986 production of and need for chemical fertilizer will be basically balanced. [Excerpt] [Guangzhou GUANGDONG NONGMIN BAO in Chinese 1 Jan 86 p 2]

WHEAT STRAINS DEVELOPMENT--Beijing, 5 Jan (XINHUA)--During the 6th 5-Year Plan, China developed some 272 new wheat strains, of which, 65 have been popularized across the nation in relatively large areas. In the 4 years 1982-1985, a total of 109 million mu was planted with these fine wheat strains, which added 1.97 billion yuan of output value to the national economy. [Excerpts] [Beijing XINHUA Domestic Service in Chinese 0114 GMT 5 Jan 86 OW] /9599

WATER CONSERVANCY--Beijing, 5 Jan (XINHUA)--During the 6th 5-Year Plan, China's water conservancy departments reformed the system for charging for water use and improved the management of water conservancy projects. By the end of 1984, the total revenue of water conservancy departments had reached over 600 million yuan. The 1985 figure will be still higher. This has enabled the water conservancy departments to achieve self-sufficiency in administrative expenses. [Excerpts] [Beijing XINHUA Domestic Service in Chinese 0131 GMT 5 Jan 86 OW] /9599

PEASANTS' CREDIT SHARES--Beijing, 11 Jan (XINHUA)--With an additional share capital of more than 500 million yuan, the total amount of peasant shares in China's credit cooperatives exceeded 1.25 billion yuan in 1985, accounting for 39.4 percent of the capital of the cooperatives. In recent years, China's credit cooperatives have regained the confidence of peasants by consecutively distributing to the peasants over 100 million yuan in overdue dividends. [Summary] [Beijing XINHUA Domestic Service in Chinese 1503 GMT 11 Jan 86 OW] /9599

GRAIN, EDIBLE OIL EXPORTS--This year it is estimated that exports of grain and edible oil will surpass the annual plan by 106 percent, the best record ever. The average price of export commodities decreased 13.9 percent since last year, because the volume of export trade increased 17.5 percent, the foreign exchange earned for the state increased by 470 million U.S. This year exports of grain and edible oil increased rapidly. The foreign exchange earned from these exports accounts for 17 percent, an increased of 8.3 percent over last year. The volume of grain exports increased 110 percent over last year.[Excerpts] [Chengde JINGJI XIAOXI in Chinese 18 Dec 85 p 3]

CSO: 4007/221

AFFORESTATION PROJECT PLANNED FOR CHANG JIANG

OW041219 Beijing XINHUA in English 1139 GMT 4 Feb 86

[Text] Guiyang, February 4 (XINHUA)--A massive afforestation project along the upper reaches of the Yangtze--China's longest river--will get under way during the Seventh Five-Year Plan (1986-90), Qian Zhenyuan, a local engineer, said in this capital of southwest China's Quizhou province today.

The purpose of the project is to halt soil erosion in Sichuan and Quizhou provinces and prevent the silting up of the Yangtze.

It calls for more than 2.46 million hectares of forests to be planted along Yangtze tributaries--the Wujiang in Quizhous, and the Minjiang, Fujiang, Jialing and Tuojiang rivers in Sichuan.

China plans to earmark 10 million yuan during the plan period for research into the techniques of tree planting and construction of early-stage items, including sample forests and efficiency observation centers.

The technique has been listed as a key state item to be tackled during the plan, together with research into the "Green Great Wall" in Northern China and afforestation in the Taihang mountains in North China.

The project passed appraisal by specialists from all over China in November 1985; and scholars and engineers of Sichuan and Guizhou discussed technical problems here last month.

Valleys along the upper reaches of the Yangtze river cover a total of 386,400 sq km and have a population of 70 million. The area is a key grain and cash crop center in Southwest China.

Due to excess felling of trees and reclamation on steep slopes, these valleys have suffered serious soil erosion.

Afforestation will be carried out in two stages: the first stage will plant 1.3 million hectares of forests and the second stage, 1.2 million hectares of forests.

/12624
CSO: 4020/208

GOVERNOR ON BENEFITS OF ECONOMIC REFORMS

OW030800 Beijing XINHUA in English 0640 GMT 3 Feb 86

[Text] Hefei, February 3 (XINHUA)--New economic reform measures enabled Anhui Province to achieve an all-round agricultural growth and rapid expansion of rural industry last year, said Governor Wang Yuzhao here today.

The measures included abolition of the mandatory state farm produce purchase system, lifting of state control over non-staple food prices and boosting animal husbandry, sideline production, forestry and fisheries.

"These measures have proved successful in enhancing peasants' initiative for market-oriented production, increasing their incomes and promoting the rural commodity economy," Wang told a provincial rural work conference now in session here.

Anhui's agricultural output value rose 20 percent last year from the year before, to 18.6 billion yuan, according to the provincial statistics bureau.

Anhui is a pioneer in introducing the household-based rural responsibility system, which links financial reward to output.

The province's agricultural output value grew at an average annual rate of 15 percent over the past five years, compared with the national average of 10 percent.

The annual income of rural residents was 356 yuan per person last year--twice what it was in 1980 and a 13.5 percent increase from 1984.

Rural factories manufactured 8.52 billion yuan-worth of goods last year, up 81 percent. They employ 3.31 million peasants--17 percent of the province's rural workforce.

In addition, the number of factories and workshops run by individual peasant households or groups of rural households doubled to 678,000 at the end of last year.

Also in 1985, some 45 counties each topped the 100-million-yuan mark in terms of rural industrial output value, compared to one in 1983.

Meanwhile, Anhui harvested 21.5 million tons of grain last year--roughly the same as in 1984--despite a reduction of 333,000 hectares in the sown area and natural disasters.

The province shipped 1.35 million tons of grain last year to other parts of the country, more than in any previous year.

Moreover, meat output came to 710,000 tons last year, up 23 percent, and eggs, 255,000 tons, a 32.5 percent rise.

More than 1.1 million peasants have left the fields to engage in industry, commerce, transport, construction and service trades in 345,000 rural towns and cities.

Governor Wang said the provincial authorities would offer peasants timely information, science, techniques, marketing and supply services this year, in a bid to further expand the rural economy.

/6662
CSO: 4020/216

BRIEFS

ANHUI AFFORESTATION--Anhui achieved much progress in afforestation during the Sixth 5-Year Plan period. A total of 6.91 million mu of land was afforested; 1.1 billion trees were planted, and 6.94 million mu of hills were greened. Forest-covered areas in the province increased from 19.2 percent in 1980 to 22.9 percent. [Summary] [Hefei Anhui Provincial Service in Mandarin 1100 GMT 9 Jan 86 OW] /12640

HYBRID RICE--In 1985, the area sown to hybrid rice expanded, output was raised, and it played an important role in stabilizing grain output in Anhui. Based on statistics, the area sown to hybrid rice was more than 7.67 million mu, the average per unit area yield was 941 jin, gross output was 7.22 billion jin. The area sown to hybrid rice increased 860,000 mu over 1984, per unit yield increased 77 jin, and gross output increased 130 million jin. [Text] [Hefei ANHUI RIBAO in Chinese 12 Jan 86 p 1]

PEASANTS BUY FARM MACHINERY--Beijing, 4 February (XINHUA)--Peasants in Anhui Province bought a record 245 million yuan worth of farming machinery last year, according to the provincial newspaper "Anhui Daily." The machines included lorries, tractors, pumps, threshers, and crop-protection and food-processing equipment. Now, about one million peasant families have farm machinery worth an estimated total value of between 1.2 and 1.3 billion yuan. The capacity of the machines totals 11,220,000 horsepower, 2,160,000 h.p. more than in 1980, the year after rural reforms were implemented linking reward with effort. There are now 230,000 walking tractors, double the 1980 figure, while the number of agricultural-use trucks has increased from 4,000 in 1980 to 14,000. The income of rural residents was 356 yuan per person last year--twice the 1980 figure, and 13.5 percent more than in 1984. [Text] [Beijing XINHUA in English 1637 GMT 4 Feb 86] /12640

CSO: 4020/212

RUBBER-TEA INTERCROPPING YIELDS GOOD RETURNS

OW071158 Beijing XINHUA in English 1134 GMT 7 Feb 86

[Text] Beijing, February 7 (XINHUA)--Research on rubber-tea intercropping has yielded good economic returns on 13,300 hectares on Hainan island, according to a report by the Chinese Academy of Sciences issued today.

The research has been jointly conducted by the academy's Yunnan Institute of Tropical Plants and the Hainan Farm Bureau over the past decade.

The rubber-tea plantations are planted with a border of tall timber trees on the outer edge to protect the rubber trees which make up the next circle. The tea trees are planted in the center. The rubber trees provide shade for the tea trees and the tea trees help hold the soil, conserve the moisture and moderate the soil temperature for the rubber trees.

Rubber production in China is mainly in Yunnan and Guangdong provinces and the Guangxi Zhuang autonomous region. Frequent typhoons and low winter temperatures keep yields down.

The intercropping uses the land efficiently and promotes the balanced growth of the plants by more effectively resisting low temperatures and strong winds. The researchers have found that the rubber trees can be tapped one or two years earlier using this method.

Hainan island has had 40 million yuan increased output value annually from the experimental plantations and rubber production is 22 percent higher than on plantations using old production methods. Tea output has also risen.

/6662
CSO: 4020/216

BRIEFS

GUANGDONG AQUATIC PRODUCTS--Guangdong Province has reaped a bumper harvest of aquatic products in consecutive years. The province's gross output of aquatic products in 1984 reached 1,035,000 tons and each person in the province had an average of 33 jin 6 liang of aquatic products. The province's gross output of aquatic products in 1985 may reach 1.1 million tons, an increase of 6 percent over the preceding year. Each person in the province is expected to have had an average of 36 jin of aquatic products. [Summary] [Guangzhou Guangdong Provincal Service in Mandarin 0400 GMT 27 Jan 86 HK] /12640

CSO: 4007/255

GUIZHOU MEETING DISCUSSES AGRICULTURAL ISSUES

HK010323 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Excerpts] A provincial agricultural work conference which concluded on 30 January summed up experiences in agriculture, animal husbandry, and fisheries in the province in the Sixth 5-Year Plan, and studied and arranged the tasks in these sectors for this year.

The conference held: As a result of readjustment during the Sixth 5-Year Plan, the province's rural production structure is gradually becoming more rational. Average annual grain output was 13.2 billion jin. The growth rate was higher than during the Fifth 5-Year Plan. Despite serious natural disasters last year, and a decline in grain output, total agricultural output value and peasant incomes showed relatively great increases. The province has maintained steady growth in animal husbandry.

The conference held: This is the first year of the Seventh Five-Year Plan. We must get a tight grasp of grain production. In industrial crops, we must take advantage of our two strong points in rapeseed and tobacco, ensure the sown area, and improve the quality. We must also develop fruit, tea, silk, sugar, peanuts, and medicinal herbs in light of local conditions. We must simultaneously develop the raising of pigs and cattle. We should achieve relatively great development in animal husbandry.

In order to fulfill this year's tasks, the conference stressed: In grain production we must vigorously popularize fine-strain seed and strive to improve the conditions for agricultural production. In animal husbandry, we must grasp pasture building and artifical sowing of grass, improve animal strains, prevent diseases, and improve the quality of fodder.

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CSO: 4007/255

BRIEFS

RURAL ACHIEVEMENTS--In 1985, the province implemented the 2nd stage of rural reforms, and the production structure was readjusted. In the planting composition, the area sown to cotton was reduced 2.91 million mu, the area sown to oil crops increased 3.46 million mu. Grain output maintained a stable increase, gross output was 38.5 billion jin, a 1.1 billion jin increase over 1984, the best record ever. Gross output of cotton could reach 1.4 billion jin, a 600 million jin reduction over 1984. The frosa output of oil crops was 1.5 billion jin, an increase of 300 million jin, the best record yet. The ouptut of beets, tobacco, ambari hemp and fruit increased to varying degrees. This year the gross output value of agriculture (not including village-run enterprises) was 20 billion yuan, an increase of 7.2 percent over 1984. Diversification developed, and the rural production structure saw obvious changes. The proportion of the gross output value of agriculture (not including village-run enterprises) accounting for rural social gross output dropped from 59.7 percent in 1984 to 51.1 percent. The proportion of commercial output value of rural industry, construction, and transportation was raised 48.9 percent. [Excerpt] [Shijiazhuang HEBEI RIBAO in Chinese 4 Jan 86 p 2] /9274

FRUIT OUTPUT--Last year the gross output of fruit in Hebei was 3.15 billion jin, the best record ever and nearly quadrupling that of 1980. In 1980, the area planted to fruit trees was almost 4.8 million mu; gross ouput was 1.68 billion jin. In 1985, area had increased to 7.75 million mu, and gross output of fruit was 3.15 million jin. Within 5 years, the gross output increased at an average rate of 17 percent a year, and quality has continued to rise. [Excerpts] [Shijiazhuang HEBEI RIBAO in Chinese 5 Jan 86 p 1]

RURAL DEPOSITS--Under the condition of tight credit funds last year, all agricultural banks in Hebei made every effort to raise money, and vigorously sought deposits. As of the end of November, total rural deposits had increased 379 million yuan over October, an increase of 587 million yuan since the beginning of the year, and exceeded the annual deposit plan one month ahead of schedule by 2.8 percent. [Text] [Shijiazhuang HEBEI RIBAO in Chinese 4 Jan 86 p 1]

ANIMAL HUSBANDRY--In 1985, Hebei concentrated on and greatly developed the animal husbandry industry. The gross output of pork, beef, and mutton was 1.47 billion jin, a 14.7 percent increase over 1984. The gross output of eggs was 535 million jin, a 60.6 percent increase over 1984; milk output was 210 million jin, an increase of 40 percent over 1984. The number of livestock on hand has increased over 1984; the gross output value of the livestock industry was 2.3 billion yuan, an increase of 39 percent over 1984. [Text] [Shijiazhuang HEBEI RIBAO in Chinese 6 Jan 86 p 1]

CSO: 4007/241

HEILONGJIANG ISSUES DRAFT PROVISIONS ON FAMILY-BASED FARMS

SK040412 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT
1 Feb 86

[Text] The provincial CPC Committee and the provincial people's government recently again revised and published the temporary provisions concerning the policy on having family members of staff members and workers of state farms open their family-based farms.

The provisions point out: The policy on having state farms open family-based farms in order to establish a double management system in which large farms are allowed to open small ones belongs to the nature of state-run enterprises established under the ownership by the whole people. Family-based farms should be operated by the staff members and workers themselves under the guidance of the system. The principle of establishing these farms and maintaining the output-realted contract system enforced by the already opened family-based farms, farms jointly operated by several households, and contracted farm machine teams should be stabilized and improved. Attention should be paid to efficiency among the labor force, the scale of farms, and the technology of production. The farmland, mountainous forests, pastures, and water ponds operated by households under the contract system are owned by the whole people and are not allowed to be rented or sold. The contracted land of family-based farms will not be changed within 15 years, and the contracts for mountainous forests, pastures, and water ponds can last much longer. Meanwhile, efforts should be made to encourage households to open developmental farms, forest farms, pastoral farms, and fishing farms, which may enjoy the exemption of profits for 3 years and of agricultural tax for 5 years.

The provisions point out: In managing farm machines, efforts should be made to enforce the concrete measures of signing contracts, offering rent, and transferring possession of them. Farm machines whose possession has not been transferred at present cannot be transferred in principle; those whose possession has been transferred should be left as they are. The transferred farm machines cannot be transferred again or sold. The farms run by households alone should follow the distribution method of fixing a profit quota to be handed over to the state and being responsible for their own surplus and losses. The farms jointly run by households and operated by the farm machine teams under the contract system should follow the

distribution method of fixing the quota handed over to the state and sharing the surplus or losses.

The provisions also point out: The staff members and workers who have opened family-based and joint-venture farms must spend about 20 work days on obligatory operations such as farmland capital construction and the construction of public facilities. We should gradually have the family-based farms, forestry farms, pastoral farms, and fishing farms open an account in the agricultural banks. Production teams should be the units in charge of management and accounting at the farm level and also take charge of leadership, administration, and service. All tasks of the production teams should only be enhanced and cannot be weakened even slightly. The cadres and working personnel of production teams should refrain from taking up the concurrent post of family-based farm leaders or of farm machine team leaders in charge of signing farm contracts. They should also refrain from signing farmland contracts for cultivation and sharing the distributions from the contracted farmland.

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CSO: 4007/255

GREENING DRIVE YIELDS RESULT IN CENTRAL PLAIN

OW031712 Beijing XINHUA in English 1652 GMT 3 Feb 86

[Text] Zhengzhou, 3 Feb (XINHUA) -- Trees now shade all villages, roads and river banks, and shelter crops from wind and sandstorms on the Central China plain, which was a monotonous yellow and wild landscape three decades ago.

Thanks to the greening drive over the past three decades, peasants in east Henan Province have covered 20,000 sq km with paulownia, willow, poplar, date, apple and other trees.

Forestry experts say that the successful afforestation drive on the vast plain has helped to reverse the worldwide trend of diminishing forest cover. They said that trees are disappearing from the earth as at a rate of 20 hectares every minute.

The denudation of the North China plain is attributed to the hostile natural conditions and neglect by the authorities throughout history. The Yellow River, China's second largest, broke its dykes repeatedly in the 2,000 years before liberation in 1949. Floods swallowed millions of lives and wiped out thousands of villages; silt blocked the tributaries and drainage system in East Henan Province.

Added to this was relentless soil erosion.

Peasants in this area began to plant shelterbelts on the old course of the Yellow River in the 1950s and greened villages and nearby areas in the 1960s.

But the most striking progress was achieved after China adopted the contract system based on households in 1979.

Local governments stipulated that farmers who plant trees on contracted plots will own them.

The new policy has spurred the enthusiasm of the peasants and millions of villagers have participated in the greening drive in recent years.

Agonomists and forestry experts have also developed processes for inter-planting trees with wheat, cotton and other crops.

As tree belts have reduced wind speed and evaporation, regulated the micro-climate of farmland, and increased the amount of humus in the soil, grain output has risen steadily.

For example, Shangqiu prefecture harvested only 450,000 tons of grain per year in the 1960s because of repeated natural disasters, including gales and sandstorms. Last year, the prefecture's grain output reached 2,430,000 tons, five times the previous figure.

Scientists found that wind speed has dropped 20.5 percent in this area, evaporation has been reduced 23 percent and the soil organic matter content has increased by 10 tons per hectare since the formation of green belts.

Local people who once worried about reduction of grain output after planting trees have recognized the significance of improving the ecological balance through tree planting.

Trees now cover 13.8 percent of the area, compared to 1.5 percent three decades ago.

This has thoroughly changed the look of this area. When the Beijing film studio needed a scene of the old course of the Yellow River, it took the cameramen hours to find a barren spot.

The afforestation has also alleviated the shortage of timber supply in the plain areas.

Since 1980, the 30 counties in East Henan Province have planted 460 million trees, with an estimated timber potential of 15 million cubic meters.

Some counties have realized self-sufficiency in timber, while others even have a surplus for sale.

Henan's efforts in afforestation of the plains have been praised by General Secretary of the Chinese Communist Party Hu Yaobang, Premier Zhao Ziyang and Vice-Premier Wan Li.

Vice-Minister of Forestry Liu Guangyun said: "The artificial forest of East Henan Province shows the promising future of China's forestry."

If more counties on the plains follow the example of the 30 counties in East Henan Province, the overfelling situation will come to an end, thus restoring the ecological balance gradually, the experts pointed out.

China's plains afforestation efforts also attracted the attention of foreign experts when the Chinese representative reported Henan's achievements in afforestation at the ninth world forestry conference held in Mexico City last July.

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CSO: 4020/212

TREE-PLANTING DRIVE IN HUBEI SHOWS RESULTS

OW020420 Beijing XINHUA in English 0238 GMT 1 Feb 86

[Text] Wuhan, 1 Feb (XINHUA) -- A tree-planting drive since 1980 has helped protect Mt Shenhongjia, a natural preserve for rare plants and animals in Central China's Hubei Province.

Trees were planqed on 20,000 hectares, about 93 percent of the denuded area of Shennongjia, which is known in China and abroad as the "kingdom of plants."

The area, with 320,000 hectares of primitive forest, have 1,919 varieties of plants, such as Chinese tulip trees, gingko and fir, and 500 kinds of animals, including golden monkeys, white bears, white squirrels and white muntjacs (Tibetan deer).

In 1980, the Hubei provincial government decided to set up a nature reserve which covers one third of the primitive forest.

While controlling the felling of trees, the local forestry bureau requires timber teams to reforest the slopes in tandem with felling.

The provincial government also ordered the bureau to cultivate 20,000 hectares of fast-growing trees on waste slopes.

At the same time, the annual timber production quotas for the area have been reduced from 100,000 to 50,000 cubic meters.

The local governments are starting parks to cultivate medicinal herbs and breed rare animals to provide jobs for those timber workers saved as a result.

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CSO: 4020/212

BRIEFS

HUBEI IRRIGATION PROJECTS--Wuhan, 31 January (XINHUA)--Hubei Province in Central China is constructing more small-scale irrigation woks which bring rapid benefits to farmers. Most of these projects consist of renovation of dykes or building of small irrigation and drainage pumping stations, canals, dams and reservoirs. Last year's severe drought in the region revealed that these works had not been well managed. These projects are smaller but less money-and-time consuming than those constructed during the 1960s and 1970s. The peasants have organized themselves into units of several families, villages or townships, and have collected 60 million yuan, about half of all the funds for the irrigation projects in Hubei. The government provides cement and steel. Five million Hubei peasants have been engaged in some 70,000 small irrigation projects since last winter. A total of 50,000 have already been completed. The aim is to construct an irrigation network that can control flooding as well as combat drought.

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CSO: 4020/212

COMPUTERS AID JIANGSU PROVINCE AGRICULTURE

OW050346 Beijing XINHUA in English 0259 GMT 5 Feb 86

[Text] Nanjing, 5 February (XINHUA) -- The application of computers to agriculture in Jiangsu Province has helped boost output and reduce production costs, according to the provincial agricultural bureau.

Last year, scientists used computers to determine the best way to apply chemical fertilizers to rice paddies.

According to computer calculations, fertilizers were then applied to 30,000 hectares in Suqian and Huai'an counties in northern Jiangsu.

As a result, per-hectare output was at least 300 kilograms higher than in other fields, while the per-hectare amount of area used was 75 kilograms less.

This meant that local peasants earned 6 million yuan (about 2 million U.S. dollars) from the extra production and lowered costs last year.

Meanwhile, peasants in Dafeng County, northern Jiangsu, spent 200,000 yuan less on 13,000 hectares of cotton fields last year than in 1984 after using computer data to advise on the amount of pesticides necessary.

And by applying computer calculations to animal feed, Nanjing Agricultural College in this provincial capital increased pork output by 10 percent and milk by 20 percent, while cutting costs by a fifth.

A provincial office in charge of applying microcomputers to agriculture has trained 2,000 computer technicians over the past 2 years.

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CSO: 4020/212

NANJING RADIO COMMENTARY ON RURAL DEVELOPMENT

OW031010 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 1 Feb 86

[Station commentary: "It is Imperative to Further Strengthen the Concept That Agriculture is the Foundation"]

[Excerpts] The recently concluded provincial conference on rural work stressed that the key to promoting an all-round, sustained, and stable development of the rural economy in the current situation lies in the further strengthening by cadres and the masses of the concept that agriculture is the foundation of the national economy. Why is it necessary to strengthen this concept? Historical experience tells us that people are apt to forget this concept whenever the national economic situation improves. In recent years, the economic situation in our province, like the rest of the country, had been very good as a whole. Although the output of grain and cotton in 1985 decreased due to natural disasters and other reasons, satisfactory results were achieved in developing a diversified economy. The total product of society in the rural areas throughout the province has continued to rise, as has the per capita real income of peasants. In such a situation some cadres and peasants have begun to neglect agriculture.

While affirming the excellent situation in the countryside, we should be sober enough to note that there are many latent problems in our province's agriculture. A particularly important problem is the weak material and technical foundation for our agricultural production. For example, in recent years there has been little investment in agriculture, and the size of cultivated land has been decreasing annually. Other problems include unrepaired water conservancy facilities and the aging of agricultural machinery. If these problems are not solved, it will be difficult for us to achieve a bumper harvest this year. Moreover, they will slow down our pace of developing agriculture in the next few years, thereby adversely affecting the national economy as a whole. Therefore, we must by no means neglect agriculture even though the economic situation is very good.

For many years party and government leaders and those of economic departments in our province have attached importance to agriculture. This is one of the important reasons for the excellent rural economic situation in our province. However, our economic work in the rural areas has entered a new stage, so it has become more demanding and more difficult. Therefore, in guiding

agricultural work, leaders must thoroughly understand the party Central Committee's directive: Developing the national economy by taking agriculture as the foundation accords with not only economic laws but also natural laws.

We must firmly regard this as our long-term strategic principle. We must not neglect agriculture on account of an improved situation in agriculture, nor should we neglect agricultural investment because the construction cycle of agricultural infrastructural projects is long and because these projects will not yield quick returns. Still less should we negate the fact that agriculture is the foundation, because the proportion of agricultural output value in the output value of the national economy has been declining annually.

In carrying out their work, leaders should devote greater energy to agriculture. They should strengthen investigations and try to solve new problems in agriculture.

Comrades of other professions and trades should vigorously contribute their share in developing agriculture, the foundation of the national economy. They should do all they can to help peasants develop agriculture and to provide high-quality services to promote the development of the rural economy. They should also do whatever is possible to lighten the peasants' economic burden. If everyone does this, our agriculture will certainly flourish further and our national economy will thrive with each passing day.

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CSO: 4007/257

NI XIANCE ADDRESSES JIANGXI RURAL CONFERENCE

OW040901 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 2 Feb 86

[Excerpts] Following are excerpts of a speech by Ni Xiance, deputy secretary of the Provincial Party Committee and governor, at the provincial rural work conference, entitled: "Stretching Our Two Short Legs Is the Key in Our Province's Rural Economic Work."

At the beginning of his speech, Ni Xiance expounded the significance of stretching our two short legs in our province's rural economic work. He said: The reason for Jiangxi's low agricultural output value, as compared with the average national growth rate, during the Sixth 5-Year Plan period is our two short legs. Although somewhat longer in the past 2 years, these two short legs have not been stretched enough. Instead, we have lagged further and further behind. Owing to our backward diversified economy and backward village and town enterprises, the gap between Jiangxi and fraternal provinces in the speed of agricultural development and in per-capita net income of peasants continues to widen. This fully shows that accelerating the development of a diversified economy and of village and town enterprises is an urgent and important task in vigorously developing the rural economy and invigorating Jiangxi's economy as a whole. Thus, it is necessary to catch up in carrying out this task.

Stretching our two short legs is also the key to tapping our potentials and natural resources. Jiangxi abounds in surface resources, affording excellent conditions for developing a diversified economy and promoting village and town enterprises. Take the conditions for developing animal husbandry and aquatic production for instance. Jiangxi has an abundant supply of cereals. It also abounds in grassy mountains, slopes, and foothills, as well as in water surfaces. The conditions for developing village and town enterprises are even better. In the words comrades from other provinces, gold can be found everywhere in Jiangxi. So long as we tackle relentlessly the two tasks of diversifying our economy and developing village and town enterprises and achieve breakthroughs in key problems, we can certainly spur on the overall economy, thereby making a greater contribution to our nation as a whole.

Since stretching our two short legs is a major principle laid down by the Eighth Provincial Party Congress to stimulate Jiangxi's economy, we should resolutely implement it. With the gradual development of rural reform and the growth of commodity production, about one-third of Jiangxi's work force has become surplus labor. How to absorb this surplus labor is a new problem for Jiangxi in its rural economic development. The only solution lies in vigorously developing village and town enterprises and in absorbing such labor locally.

In his speech, Ni Xiance emphatically said: It is necessary to achieve breakthroughs in the key issues of livestock breeding and fish-farming and to promote the all-round development of a diversified economy. Now, whenever the subject of developing a diversified economy is brought up, some comrades only talk of reducing the grain acreage. Such an understanding is incomplete. Readjustment of the production structure involves readjustment of the relationship between farming and livestock breeding; between grain crops and cash crops; and among farming, livestock breeding, and the processing industry; as well as readjustment of the grain production structure.

Since grain is Jiangxi's major agricultural crop, at no time should we relax our efforts in grain production. We should, instead, maintain steady growth of grain production. However, while recognizing the importance of grain, we should not, in disregard of economic results and prevailing conditions, overly stress the need to maintain the grain acreage while refraining from making necessary adjustments. Since production of grain and that of cash crops may promote or restrict each other, we should ensure coordinated development so as to increase per mu yield and improve crop quality.

As part of readjusting our production structure and diversifying our economy, we should attach great importance to animal husbandry and fish-farming and quicken our pace in increasing the proportion of these two industries in the overall rural economy. Given our still rather weak rural economy, the development of animal husbandry and fish-farming is an undertaking that has nothing but good prospects, because it requires little investment, yields quick returns, and involves little risks, making it worthy to be taken up by thousands of households.

Speaking of the importance of developing village and town enterprises, Ni Xiance said: The development of village and town enterprises can promote further development of agriculture and the rural economy and help peasants achieve prosperity at an early date. The development of labor-intensive village and town enterprises suits the current situation in productive forces and is a major task requiring our special attention and effort in carrying out economic work, in particular, in carrying out rural economic work. What shall we stress in order to vigorously develop these enterprises? In accordance with our current needs and our local conditions, we should adopt our own ways in

distributing our labor force and readjusting our labor structure. We should advance on the four wheels of operating through households, neighbors, villages, and townships.

Urging governments and cadres at all levels to foster the idea of bringing prosperity to the people and to implement the policy of bringing affluence to the people, Ni Xiance noted: The policy of bringing affluence to the people is a fundamental rural policy of the party. Helping peasants get rich quickly and ensuring them a comfortable life by the end of this century should become the primary consideration and target of effort of cadres at all levels. By deciding to focus our economic work on stretching our two short legs in energetically developing the rural economy, the provincial party committee and provincial people's government are, effect, implementing the party's policy of bringing affluence to the people and helping more peasants become better off more quickly.

In fostering the idea of bringing prosperity to the people and implementing the policy of bringing affluence to the people, our province should pay attention to solving a current major problem, namely, correctly understanding the need to allow some people to get rich earlier than others and correctly treating peasants who get rich earlier than other people. It is necessary to arouse, support, and protect the initiative of peasants in achieving prosperity through labor. Do not be afraid of the peasants getting rich; nor should we vie with people in seeking profits. Only by allowing and encouraging some peasants to become better off through labor, can we provide a strong impetus and set an example for the majority of peasants, thereby leading more and more people to common prosperity and bringing affluence to the people, the rural areas, and the nation as a whole.

In conclusion, Ni Xiance said: With our continuous efforts in carrying out rural and urban reform, industry and agriculture, as well as the urban and rural economy, which have been moving in different orbits for years, have come to a historical convergence. Our cadres at all levels should conduct a conscientious study of rural economic work, foster the commodity economy concept, take the overall economic situation into consideration, and refresh their knowledge and ideas. They should also get out from their offices and liberate themselves from the confines of their studies in order to conduct investigations and studies among the peasants in rural areas, earnestly help rgral households draw up plans for achieving prosperity, and provide information and guidance in this respect.

It is also necessary to oppose mediocre leadership and formalism, create typical examples from real life, acquire first-hand information, and take the initiative in leadership work in order to lead peasants onto the road of prosperity at an early date.

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CSO: 4007/255

BRIEFS

AQUATIC OUTPUT--Based on statistics from the Jiangxi Agriculture, Animal Husbandry, and Fishery Department, in 1985 the gross output of aquatic products exceeded 3 million dan, an increase of 17 percent over last year. [Text] [Beijing RENMIN RIBAO (OVERSEAS EDITION) in Chinese 18 Jan 86 p 3] /9274

CSO: 4007/247

LIAONING TO DREDGE LIAO HE FOLLOWING LARGE FLOODS

HK040810 Beijing CHINA DAILY in English 4 Feb 86 p 3

[Text] In the wake of a record flood disaster which cost the province several hundred lives and five million tons of grain last year, Liaoning, Northeast China, has launched a major project to dredge Liao He River -- the province's main waterway.

Liaoning was hit hardest last August when a typhoon and 400 millimetres of rain battereed the province for 48 hours, causing the worst flooding in 35 years.

Liao He River, on which the province had depended for flood control over the past decades, failed to do its job last year because its riverbed had been silt-laden, reducing its flow from the previous 5,000 cubic metres to only 2,000 cubic metres per second.

As a result, the flood spread to most of the province's flatland, swallowing villagps, washing away roads and swamping Liao He oilfield, the third largest in China, for 2 weeks.

An investigation immediately following the disaster revealed that randomly built irrigation projects on the upper reach of the Liao He River had caused as much as 300,000 tons of silt to accumulate along every square kilometre of the river. Another 10 million tons of silt had been washed down drom other tributaries into the Liao He every year over the past decade, further raising the riverbed.

Drawing lessons from last year's disaster, the Liaoning provincial government launched a full-scale drive to dredge the Liao He and its main tributary, the Liuhe, late last year, while readjusting the irrigation dams and reservoirs along the two rivers in a bid to ease the silt problem. Now more than 600 kilometres of river have been improved, boosting the Liao He's flow-capacity to 3,000 cubic metres per second.

To widen the river further, the provincial government has subsidized the evacuation of 5,000 rural homes and removed 2,700 hectares of wood-farms and 600 kilometres of irregular embankments from both banks of the rivers. It has also persuaded farmers to plant low-stem crops such as soy beans and wheat instead of the tall-stem sorghum or maize to make flood control easier.

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CSO: 4020/212

BRIEFS

FOREIGN EXCHANGE--As of the middle of December, Shaanxi had earned more than 11 million U.S. dollars in foreign exchange from grain, oil, and other agricultural and sideline products, the best record ever. In the past few years, the output of grain, oil and local products has surpassed previous records. In 1985, despite suffering serious disasters, grain output was 18.6 billion jin; not only was the province self-sufficient in grain, a certain amount could be exported. The export products developed by specialized households and combined undertakings have become a major source of foreign exchange. Last year, more than one-third the amount of foreign exchange earned came from rural specialized and key households. [Text] [Beijing NONGMIN RIBAO in Chinese 10 Jan 86 p 1]

TOBACCO OUTPUT--Last year, tobacco output was 1.2 million dan, a 40 percent increase over last year. This not only satisfied internal needs, but more than 400,000 dan were transferred to other provinces. [Text] [Xi'an SHAANXI RIBAO in Chinese 3 Jan 86 p 2]

CSO: 4007/267

BIG INCREASES IN AGRICULTURAL OUTPUT

OW311808 Beijing XINHUA in English 1457 GMT 31 Jan 86

[Text] Jinan, January 31 (XINHUA)--East China's Shandong Province increased its agricultural output value to 35.5 billion yuan (11.1 billion U.S. dollars) last year--giving it the country's highest five-year growth rate, a local official said today.

Yu Jingqing, director of the province's agricultural office, said the output value grew at an average rate of 14.4 percent from 1981 to 1985.

Shandong peasants harvested 31.4 million tons of grain last year despite hailstorms, drought, a typhoon and an unusually long wet spell. The output --second highest in China after Sichuan Province--was 975,000 tons more than in 1984 and 7.5 million tons more than in 1980.

Meat output totaled 1.2/ million tons last year, up 9.9 percent from 1984, while the output of eggs was 725,000 tons, up 16 percent.

Big increases were also registered for cotton, peanuts, cured tobacco, hemp, fruit and vegetables last year, Yu said. As a result, Shandong's outputs of cotton, peanuts, fruit, vegetables, corn and poultry now rank first in the country. Its cotton output accounts for one-third of China's total.

Average income per peasant in the province rose from 105.2 yuan in 1980 to 430 yuan last year.

Yu attributed most of the increases to implementation of the responsibility system in agriculture in 1979. The system links income to output and encourages peasants to gear production to anticipated demand.

The introduction of high yield strains of cotton, fruit and vegetables also boosted Shandong's rural economy, Yu said.

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CSO: 4020/216

SHANDONG AGRICULTURAL WORK CONFERENCE CONCLUDES

SK280845 Jinan Shandong Provincial Service in Mandarin 2300 GMT 27 Jan 86

[Text] The provincial agricultural work conference, which concluded on 27 January, disclosed happy news. In 1985, rural areas of the province persistently carried out the principle of reform, readjustment, relaxing control, and enlivening the economy, thus vigorously developing the rural economy. Following successive increases in grain production in the previous 2 years, last year the province again registered a total output of 62.75 billion jin, 1.95 billion jin more than in 1984. The average annual growth in the Sixth 5-Year Plan period was 3 billion jin. The total output of peanuts reached 52.27 million dan, 45.2 percent more than in 1984, and that of fruits 4 billion jin, some 200 million jin more than in 1984. Cotton production was reduced in a planned manner in line with market demands. Calculated according to the original caliber, the province's agricultural output value is expected to reach 35.455 billion yuan, a 12-percent increase over 1984, and the per-capital income of 350 - 430 yuan, 26 yuan more than in 1984.

The conference summed up last year's experiences in paying close attention to grain production and animal husbandry and the quality of farm products, in reducing cotton production in a planned manner, in attending to cash crops in an all-round manner, and in rendering good information, technical, and material services. It also put forward the following major tasks for this year's agricultural and animal husbandry production: To conscientiously implement Document No 1 of the CPC Central Committee; to further improve the output-related contract responsibility system in rural areas; and, in line with the general requirements for strengthening, mastering, supplementing, and improving, to persistently deepen the reform, continuously attend to readjustment, strive to improve economic results, comprehensively fulfill the agricultural and animal husbandry production tasks, and increase the provincial agricultural output value by 4 percent over the previous year as required by the provincial CPC Committee and government.

On the basis of the principle of maintaining stability in major issues and readjustment in minor ones, we should further restructure our cropping industry, and should never slacken grain production while actively developing diverse undertakings. We should pay attention to the production of lean-pork

hogs and upgrade the quality of animal by-products. We should strengthen construction of the bases for the production of agricultural and animal husbandry commodities, and attach importance to the development of famous-brand, special, quality, new, and scarce commodities. We should also emphasize the construction of bases for the production of nonstaple foods in service of large and medium-sized cities, the commodity production bases that have earning foreign exchange through exports as their major purpose, and marketable grain and light industrial and textile raw material bases, and should further enliven commodity circulation. We should expedite the popularization of agricultural scientific and technological findings, and raise peasants' scientific and technical levels. In the meantime, agricultural and animal husbandry departments should improve themselves more intensively, strengthen macroeconomic guidance, render various services, and strive to reap an overall good harvest in agriculture and animal husbandry this year.

Vice Governor Lu Hong attended the conference to hear reports and give a speech.

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CSO: 4007/252

BRIEFS

PEASANTS TURN TO INDUSTRY--Under the prerequisite of ensuring the stable growth of agriculture, at present 6.6 million peasants, that is one-fourth of the rural labor force in the province, have left agriculture for industry and sideline occupations, or tertiary industry. This year the gross value of town and township enterprises may reach 17.3 billion yuan, a 200 percent increase over 1980. Income from town and township enterprises accounts for 40 percent of rural total income. While developing rural industry and sideline occupations, this year the gross output of grain in Shandong increased slightly over the record breaking year of 1984. The gross output of peanuts exceeded 50 million dan, a 38 percent increase over last year's harvest. Responsible persons at the prefecture, city and county level believe the development of town and township enterprises will increase peasant income, promote rural commodity production, and is a new way to stimulate the rural economy. [Text] [Beijing RENMIN RIBAO (OVERSEAS EDITION) in Chinese 25 Dec 85 p 3]

CSO: 4007/267

BRIEFS

IRRIGATION PROJECT--Taiyuan, 20 January (XINHUA)--Twenty million peasants in Shanxi Province, North China, have turned out this winter to reinforce irrigation systems. They have rebuilt 40,000 water-conservancy facilities, dredged 13,000 kilometers of irrigation ditches and added 20,000 hectares of irrigated fields, according to the provincial Agricultural Department. The work is costing 20 million yuan of locally-raised funds. Townships have set up teams to build major projects in many parts of the province. In Linfeng Prefecture, peasants have contracted to run 81 percent of the irrigation works with the help of water-conservancy experts. [Text] [Beijing XINHUA in English 1509 GMT 30 Jan 86 OW] /12640

CSO: 4020/212

GOVERNMENT URGES FIRMING UP GRAIN CONTRACTS

HK050143 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 4 Feb 86

[Text] The Sichuan Provincial Government issued an urgent circular on 3 February demanding that the province hurry to firm up grain purchase contracts so as to guide spring farming. In view of the current demand in many places for downward readjustment of purchase contract quotas, the circular said that it is essential to clearly tell the cadres and peasants that the purchase contract quota for the province is one that has already been subject to downward readjustment by the State Council, then there is no question of a further downward readjustment.

The circular pointed out: In order to balance the state's grain income and expenditure, there remains a gap between the province's market procurement quota and the quota allocated by the State Council. The circular demanded that efforts be made to purchase more grain in areas of bumper harvest so as to fulfill the state quota.

The circular stressed that it is essential to strengthen leadership and seize the current favorable opportunity to do a good job in firming up grain purchase contracts. The quota assigned by the provincial authorities must be worked out level by level for each farming household and production unit before the start of spring farming.

/9599
CSO: 4007/257

SICHUAN PEASANTS IMPROVE HOUSING CONDITIONS

OW0l1540 Beijing XINHUA in English 1531 GMT 1 Feb 86

[Text] Chengdu, 1 Feb (XINHUA) -- The urban and rural construction department of Sichuan Province said that 20 percent of the peasant families in this southwestern province have built new houses since 1981.

The 400,000 peasant families have built 310 million square meters of new houses. Each house, covering 82 square meters on average, includes a parlor, bedroom, kitchen and cattle-shed.

Most of the new houses are two-story buildings with a courtyard for flowers, trees or a fish pond. The courtyard can be as large as 100 square meters, but most are about 60 square meters.

In Chongyan County, in western Sichuan, 70 percent of the peasants have set up new houses, which are surrounded by bamboo groves and canals.

In their parlors, usually the largest rooms, they put traditional Chinese pictures on the walls. And their wooden benches and bamboo chairs are replaced by sofas. TV sets, tape recorders and washing machines are also much in evidence.

Liu Jifu, 53, is a peasant of Qionglai County, not far from Chengdu, the provincial capital. He said that he just wanted to do two things: To improve the water supply pipeline in his bathroom and to hold a wedding ceremony for his daughter. In his village, the annual income is 4,000 yuan on average.

But to prevent encroaching on arable land, the local government has put a limit on the size of construction, which is different in different counties.

To make their new houses more convenient, the peasants have constructed 95,000 km of roads and 1.2 million methane-generating pits, and improved the drinking water sources with their own funds.

/12640
CSO: 4020/212

BRIEFS

ORANGE EXPORTS--This year the State assigned Sichuan to export 8,318 tons of oranges (not including Chongqing). As of 16 December, transport tasks were completed and 8, 641 tons of oranges were exported, surpassing the amount by 3.88 percent. Everything proceded smoothly, the oranges were adjudged to be of good quality after inspection by commercial and plant departments , when handed over to port authorities demands of contracts had beeen meet, and customers were satisified [Text] [Chengdu SICHUAN RIBAO in Chinese 21 Dec 85 p 1]

PORK EXPORTS--According to statistics, as of 26 December Sichuan had exported nearly 10,000 tons of frozen pork cuts, surpassing the state assigned task by 4.2 percent, an increase of 58.8 percent over last year, the best record ever. The foreign exchange earned from the export of frozen pork also surpassed the assigned task, an increase of 39.2 percent over last year. Before the end of October, the province had surpassed the export tasks to the Soviet Union, and within the last three months had completed 90 percent of Hong Kong's supply. [Excerpt Chengdu SICHUAN RIBAO in Chinese 31 Dec 85 p 1]

CSO: 4007/221

TIANJIN RURAL WORK CONFERENCE CONCLUDES 3 FEB

SK040546 Tianjin City Service in Mandarin 0030 GMT 4 Feb 86

[Text] The municipal rural work conference sponsored by the municipal CPC Committee and the municipal government successfully concluded on 3 February. The conference fully affirmed the municipality's great achievements scored in last year's rural reform and made arrangements for this year's rural work. The guiding ideology of the municipality's rural work for 1986 is to persistently implement the strategic principle that agriculture is the foundation of the national economy; to further implement the policies toward rural areas stipulated by the CPC Central Committee; to adhere to the orientation of serving cities and making peasants rich; to continue to extensively conduct the rural reform; to implement and perfect the policies; to readjust the setup of production in the light of the orientation of developing crop, aquiculture, and processing industries according to the demands of the foreign trade; to strive to readjust the circulation links; and to make efforts to promote a sustained, steady, and coordinated development of the rural economy.

The conference defined: This year, the municipality should concentrate the rural work on further upgrading the quality of foodstuffs, firmly grasping grain production, developing town- and township-run enterprises with steady steps, accelerating the construction of export and foreign trade bases, and rationalizing the rural production structure.

During the conference, Liu Jingfeng, vice mayor of the municipality relayed the guidelines of the central rural work conference. On behalf of the municipal CPC Committee and the municipal government, Wu Zhen, deputy secretary of the municipal CPC Committee, made a speech entitled "Persist in Reform, Be Brave in Exploring the New, and Strive to Comprehensively Rejuvinate the Rural Economy." Mayor Li Ruihuan drew up a plan on how to help to free poverty-stricken villages from the poverty situation, and held discussions with responsible comrades of relevant departments on the issues concerning the production and sales of vegetables and lean-pork hogs, the development of town- and township-run enterprises, and the improvement of the livelihood of town and township people.

Responsible comrades of the municipal Political and Legal Committee, the municipal Scientific and Technological Commission, and the municipal

Family Planning Committee gave speeches respectively on special topics at the conference. In their speeches on typical examples, responsible persons of various suburban counties exchanged experiences gained last year in persisting in reform, conducting the ideological and political work, and developing the rural economy.

At the summing-up session of the conference on the morning of 1 February, Ni Zhifu, secretary of the municipal CPC Committee, and Li Ruihuan, deputy secretary of the municipal CPC Committee and mayor of the municipality, made speeches respectively on the issues concerning forming a good connection between the urban and rural reforms by specifically establishing a strategic ideology of the urban and rural development and concerning upgrading the work of serving cities and making peasants rich to a new level.

At group discussions, responsible comrades of the suburban counties successively talked about the excellent rural situation based on the changes that have taken place in the past few years; further defined the assigned heavy tasks for promoting a steady, coordinated development of the national economy with a focus on agricultural development; pledged that they would certainly live up to the support and expectations of the municipal leaders, relevant departments, and the people of Tianjin Municipality; and affirmed that from now on, they would make efforts to provide cities with more and better foodstuffs, offer more and better raw materials to urban industrial enterprises, and promote the export and foreign trade development by offering more and better products.

/12640
CSO: 4007/255 END

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China Report

AGRICULTURE

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ON THE SECOND STAGE OF RURAL REFORM

Beijing BANYUE TAN [SEMI-MONTHLY TALKS] in Chinese No 21, 10 Nov 85 pp 12-17

[Article by Editorial Department of BANYUE TAN: "Rural Areas Are on a Journey of Second Stage Reforms--Part Two of Study Materials on the Situation"]

[Text] After having broken the "iron rice bowl" of the collective economy and achieving a basic solution of food and clothing problems, China's rural areas have set off on a journey of second stage reforms during 1985 and begun to move toward achieving the goal of "rather well off." The news arriving from all areas indicates that the second stage reforms are progressing smoothly, that there have been new breakthroughs and developments in the rural economy, and that agricultural production has excellent prospects of another bumper harvest.

According to predictions by relevant departments, even though grain output in 1985 will decline in comparison with 1984 because of natural disasters, readjustments in industrial structures, and other factors, it will be a year of high output seldom seen in history. Besides reductions in cotton, there have been rather substantial increases in cash crops such as oil crops, sugar, jute and ambari, tobacco and others compared with 1984. The total value of agricultural output, total value of output in rural industries, and average peasants incomes have reached new historical records. Average peasant income in 1980 may reach 400 yuan, an increase of 45 yuan over 1984.

I. New Breakthroughs in New Starting Points

The start of the second stage of reforms in rural areas that focus on reforms in purchasing and marketing systems for agricultural and sideline products and readjustment of industrial structures is indicative of the fact that China's rural areas have entered a period of new development. Under party leadership, the hundreds of millions of peasants have been enthusiastic and reliable in carrying out the second stage reforms, and they have made pleasing progress and the rural economy has made new breakthroughs and developments from its original foundation.

1. Agricultural production has moved from an orientation toward state plans to a new stage of developing commodity production on the basis of market

demand. Reforms in purchasing and marketing systems for agricultural and sideline products began smoothly and, with the exception of certain types of products, the remainder of the 39 types of agricultural and sideline products that formerly were under unified and assigned purchase have been removed from state control. In addition, prices for meat, eggs, vegetables and other non-staple foods have been completely or partially deregulated and multiple-channel administration has been implemented. The history of more than 30 years when the peasants of China produced to complete unified and assigned purchase tasks now basically has ended and market mechanisms under state planning guidance are beginning to guide peasant production. Farmers who for generations knew only to plant the land and turn over grain are now beginning to allocate their labor power and capital and to organize production and administration according to price signals and market trends. They have learned to pay attention to market conditions and have become "economic persons" who listen for news from all sources. This is an important, profound change that will have far-reaching effects. The peasants view this change as an additional liberation of the economy following contractual responsibility.

2. The pace of readjustment in industrial structures has quickened and a transition from a "food and clothing type" to "relatively well-off type" has begun. Industrial structures in the rural areas of China originally were formed gradually to provide solutions to the food and clothing problems. Now, they do not meet the peasants' demands to become even better off or the changes in the demand structure of people in urban and rural areas. During 1985, all areas formulated long-range plans and short-term goals for readjustments in industrial structures on the basis of state plans and market demand. Moreover, they have done effective work to accelerate the pace of readjustments. On the basis of a rational reduction of about 70 million mu in the area planted in grain nationwide in 1985, the area in cash crops was expanded by 53 million mu and there has been a substantial improvement in the proportional relationship between grain and cash crops. Planting superior quality grains and increasing the number of crop varieties now has become the new goal pursued by the peasants. The people dislike eating coarse grains and the area planted to poor quality paddy rice has been reduced. There has been a substantial increase in superior quality rice and small hybrid grains, market demand for which exceeds supplies. Paddy rice areas of the south have reduced the area planted to low quality rice by more than 50 million mu. Guangdong Province reduced the area planted to low quality paddy rice by more than 2 million mu in 1985 and switched over to varieties with sales avenues like superior quality paddy rice, top shelf vegetables, precious fruits, and famous flowers. Cotton-growing regions of the north basically have cropped Lu 1 cotton and Lu 2 cotton, Ji 8 cotton and other varieties have become quite common.

Deficiencies in forestry, animal husbandry and fisheries became a focal point of peasant capital and labor input during 1985. From the "breeding fever" that has swept grain producing regions like Jilin, Hunan, Jiangxi and Sichuan, to the appearance of new momentum in digging fishponds and developing orchards in the rural areas of the south and north--all this indicates that there will be a rather substantial development of forestry, animal

husbandry, sideline production and fisheries in China. According to statistics, more than 8 million mu of land was taken out of cultivation and reverted to forests, animal husbandry or fisheries, the largest figure in history. There have been substantial increases in meat, milk, eggs and other primary animal products. The amount of pork, mutton and beef produced during the first half of 1985 in China was up by 15.6 percent over the same period in 1984, while milk output grew by one-third over the same period in 1984.

3. Exchange between urban and rural areas has shifted from simple commodity exchange to joint development and secondary and tertiary industries, and horizontal economic relationships are becoming increasingly closer. Opening the doors wide between urban and rural areas and developing economic and technical cooperation that assumes many forms, has many levels and many constituents, have become prominent trends in China's economic development. The momentum of the disperison of urban forces of production toward rural areas is intensifying. Technical transfer and the movement of talented people to the countryside to build sub-plants and workshops in rural areas and to join together for operation of various types of enterprises have enlivened the urban and rural economies and promoted readjustments in industrial structures in rural areas. More than 1,600 township and town enterprises in the suburbs of Guangzhou City have established "partnership" relationships with large urban industries and are cooperating over a range of more than 10 industries and over 100 product types. The peasants are pounding continually on the doors of the cities. There has been continual expansion in the scale, scope and number of people involved in a whole range of things from entering the city to sell agricultural, industrial and sideline products, engaging in construction and beseeching the god of wealth to things such as going to town to open up stores and workshops and setting up tertiary industries. According to estimates, about 20 million peasants are in urban areas working in the fields of construction and tertiary industries alone. More than 20,000 peasants in Jinniu District in the Chengdu City suburbs have set up over 40 peasants neighborhoods and markets outside the city near its suburbs to engage in commerce and the service industry. Peasants in the suburbs of Shijiazhuang City have built commodity trsidences near the city suburbs for sale to the cities. Examples of this sort are too numerous to mention. The peasants have taken the initiative in going to the cities to engage in various types of activities. They have invigorated the urban economy as well as increased their own incomes, and they have been steeped in urban civilization. This stands in obvious distinction from the early period of capitalist industrialization when the peasants were forced into the cities to become a propertyless and unemployed reserve army. New developments in urban and rural relationships are indicative of the unity of town and countryside in China and of the beautiful prospects of common prosperity.

Changes in the three areas described above are the main indicator of the "reserve strength" of economic development in the rural areas of China and portend a new takeoff in the rural economy.

II. New Problems Under the New Situation

One important characteristic of the rural economic situation in 1985 is that on the one hand there have been major changes while on the other there are rather prominent problems and contradictions. The good momentum and new developiments often are associated with the appearance of new problems and questions. This sort of complexity should not prevent us from having a correct understanding of the rural situation.

The second stage reforms in rural areas are more profound and more complex than those of the first stage. They now have shifted from being internal to agriculture to being external, and they concern many complex economic relationships, and all areas have not adapted well. Reforms in unified and assigned purchase systems have carried the peasants into the vast sea of the commodity economy. This is a good thing, but it has brought new contradictions with it. Because the peasants lack training and practice in the commodity economy, they have no idea of what or how much to produce and follow things blindly. Leading cadres and economicwork departments at all levels have been accustomed to planned distribution and planned purchasing for a long time and they lack experience and methods concerning how to apply market mechanisms to guide, promote and adjust production. We can say from the significance of this that we now are in a period of "non-adaptation" and that the appearance of some problems and difficulties is hard to avoid.

Now, much debate among the people concerns grain production and township and town enterprises. Reduced grain output in China in 1985 compared with 1984 has led to the sprouting of a neglect of grain production in some areas. This is a fact. Some comrades are clamoring about this and assume that major problems have appeared in grain, even to the extent that they have doubts that the reforms will be successful. This obviously is a misunderstanding. The slight reduction in grain output in 1985 falls within normal yearly fluctuations. If we examine this factor in terms of readjustments in industrial structures, we also can say that it is an anticipated thing. While some areas have made rather substantial readjustments, they also have made readjustments in the opposite direction. Moreover, there is a cycle to grain production, and fluctuation upwards or downwards at a certain level is normal. Absolute stability or increases in output every year are impossible. Market supplies of grain can be maintained not only in terms of quantity but also can be improved in terms of quality and product varieties. The peasants in some areas are not very enthusiastic about planting grain, which is a result of prices and various other factors, not mistakes in reforms of unified and assigned purchase systems. Just the opposite, it is only reforms, gradual ordering of prices and an understanding of the use of economic measures to guide production that will make it possible to protect and raise the initiative of the peasants to plant grain. A return to the old route of unified purchase and guaranteed sales would only restrict readjustments in industrial structures. Grain would not develop nor would other industries, which could engender a vicious circle. The correct attitude is that we first should emphasize that agriculture is the foundation and that grain is the foundation of this foundation. If we wish to focus on

the important status of grain, we cannot be negligent. The second this is that we must seek truth from facts and not purposely create fears. We should discuss the dialectical method since a bias toward any particular aspect would not be favorable to reforms and economic development.

Some of the problems that have appeared in the development of township and town enterprises also should be considered in light of the overall situation in reforms before a correct understanding is possible. Township and town enterprises developed a bit chaotically and borrowed quite a bit of money during the fourth quarter of 1984, causing some blind activity and deviations from agriculture. These problems must be corrected. Otherwise, they not only will harm agriculture but also will have negative effects on healthy development of township and town enterprises themselves. We cannot use this as a pretext for restricting the reforms, however, or place them in the "other register" [evaluate negatively] once again. Development of township and town enterprises is an important aspect of readjustments in industrial structures in rural areas and is an essential route for invigoration of the rural economy. Moreover, we should consider more than their economic benefits. Even more important is the need to take account of their social benefits. The social benefits of township and town enterprises refers to a solution of the employment problems of the more than 60 million surplus laborers in rural areas and to their contribution toward changing the situation in which China's 800 million peasants are occupied with growing food. According to predictions by relevant departments, nearly 200 million laborers in rural areas must be shifted to non-agricultural sectors by the end of this century. The cities have a limited capacity to absorb them, so what can we rely on? The main thing is continued reliance on the development of township and town enterprises to absorb them. When the problems that have appeared in these enterprises are placed within this overall background, a correct attitude is possible.

In summary, the new problems and difficulties that have appeared in rural areas should be considered in light of the overall reform situation, and they should be analyzed comprehensively from a macroeconomic viewpoint. Only in this way is it possible to have a correct grasp of the rural situation, and we should not allow any problems or difficulties to cause us to waver in our determination to make reforms.

In its opinions concerning formuation of the Seventh 5-Year Plan, the CPC Central Committee pointed out that "agricultural development remains the foundation of development of the entire national economy in China and we must give full attention to its strategic position." An important task that we now face concerns how to make this strategic idea a reality. This is especially true of the need to strengthen guidance and service to the rural economy, to coordinate well the relationship between state plans and independent administration by the peasants and bring the production of every household into the orbit of the socialist planned commodity economy. Respecting the decisionmaking rights of the peasants requires that we transfer information concerning state planning requirements and macroeconomic demand to them so

their capital and labor power develops the proper direction. At the same time, we also should give them concrete assistance and provide services to every family and household so that the peasants voluntarily integrate their production and administration with state plans and market demand to reduce blind action and derive even better economic results. The second is that we must strengthen technical transformation for the peasants, improve the material conditions of agricultural production, and raise labor productivity. We must continue to support the reforms and strengrhen technical transformation. When these two things are done well, agricultural development will have a reserve force and will flourish forever.

The second stage reforms in rural areas are far from complete, and even more arduous tasks remain. If we adhere faithfully to this route, however, and pass through the current period of "non-adaptation," the rural economy will enjoy a new "takeoff."

12539/6662
CSO: 4007/120

NATIONAL

AGRICULTURAL MECHANIZATION, COOPERATION KEY TO MODERNIZATION

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 9, Sep 85 pp 21-26

[Article by Lu Wen [4151 2429] of the State Council Rural Development Research Center: "The Current Characteristics of the Development of Agricultural Mechanization in China and Trends Toward Agricultural Machinery Cooperation"]

[Text] Agricultural mechanization is an integral part of agricultural modernization. We must take the path of socialist modernization of agriculture with Chinese characteristics, and agricultural mechanization and agricultural machinery cooperation [nongji hezuo 6593 2623 0678 0155] also should have their own special characteristics.

I. The Agricultural Mechanization Situation Before the 3d Plenum of the 11th CPC Central Committee

Mechanization has received a great deal of attention in agricultural construction in China and is embodied fully in the slogan "the basic outlet for agriculture lies in agricultural mechanization." Agricultural mechanization in China has taken a tortuous path, however.

Before the 3d Plenum of the 11th CPC Central Committee, agricultural mechanization in China had already developed to a substantial degree. The total motive power of agricultural machinery in China in 1978 was 159.75 million horsepower, a 539 percent [as published] increase over the 1952 figure of 250,000 horsepower. There were 557,358 large and medium tractors, a 326.4 percent [as published] increase over the 1952 figure of 1,307. Small scale and walking tractors formerly were nonexistent but now number 1.373 million. Rural electricity use was 25.31 billion kWh, a 505.2-fold increase over the 1952 figure of 50 million kWh. This rate and scale of development is rather substantial, but it also is limited when we compare our vast territory and large population.

Some problems existed during this development period. The prominent ones were: (1) It was felt that achievement of agricultural mechanization was equivalent to agricultural modernization. The roles of biotechnologies and traditional technologies were ignored. Actually, we were progressing along the path taken by developed nations, which made it hard for us to

avoid problems encountered by mechanized agriculture and petroleum agriculture in the developed nations. (2) Agricultural mechanization was understood simply as the mechanization of land cultivation, and tractors were treated as an indicator of agricultural mechanization. It was felt that if each production team had one or two tractors, they basically had achieved mechanical cultivation and thereby had achieved agricultural mechanization. The result was that tractor plants were set up everywhere and blindly pursued speed and scale to attain this goal by 1980. (3) The state wanted peasant mechanization. The state set up tractor plants according to plans and after producing tractors sold them to production teams. If a production team did not have the money it borrowed from the state. The tractors and other agricultural machinery were owned, managed, and used by the production teams. The peasants had no right to question this, nor did they care to. The initiative for mechanization came only from the state and collectives. There was no peasant initiative and no broad mass foundation. (4) "Eating out of the big common pot" was adopted for the management and utilization of machinery. Combined with the low scientific and technical levels of the masses and the less-than-complete complement of agricultural machinery, productivity and the benefits of mechanization were low, so most were managed at a loss. (5) Cooperativization came first and mechanization last. For a long period after the establishment of cooperatives, agricultural production in many areas depended mainly on physical labor and manual operation. Most lacked a socialized modernized material and technical foundation, so production had a ponderous natural quality. The added egalitarianism within the collective economy meant that the superiority of socialism could not be achieved and it was quite difficult for most to continue.

The primary goal of agricultural mechanization is to improve labor productivity, promote production, facilitate the shift of labor into non-agricultural industrial departments, and consolidate and develop socialized production systems. If we consider things in these terms, then generally speaking, no obvious results were obtained during this stage of agricultural mechanization. From 1952 to 1978, horsepower in agricultural machinery increased more than 5-fold while the amount of agricultural labor did not decline, increasing instead by 70 percent. The total value of agricultural output grew by only 239 percent when calculated according to yearly prices (the increase was only 129.6 percent when calculated at comparable prices). The value of agricultural output calculated according to the number of agricultural laborers and yearly prices only doubled (the increase was only 53 percent when calculated according to comparable prices). The amount of grain produced by each agricultural laborer grew by only 9.4 percent and the amount for cotton actually cropped by 2.2 percent. This shows that the relations of production and management systems prevented agricultural machinery from playing its role and that reforms in the relations of production are needed, including reforms in management and administration systems for agricultural machinery.

II. Current Characteristics and Problems in Agricultural Mechanization

The process of implementing systems of contractual responsibility based on households in rural areas was accompanied by reforms in management and administration systems. Most units gave contractual responsibility for agricultural machinery managed by the collectives to specialized farm machinery teams or individuals, or they transferred the agricultural machinery for compensation to individuals and allowed them to purchase agricultural machinery. Collective management of agricultural machinery continues and the various forms of responsibility systems have been reinforced.

The following characteristics have appeared during the development of agricultural mechanization and agricultural machinery management systems:

A. The pace of development for agricultural machinery has increased greatly.

The peasants are very enthusiastic about purchasing agricultural machinery and other machinery, and sales of all types of machinery have increased substantially. By the end of 1984, the total motive power in agricultural machinery had reached 265 million horsepower, up by 65.9 percent over 1978. The number of large and medium tractors reached 857,000, up by 53.8 percent over 1978. The number of small scale and walking tractors reached 3.289 million, up by 139.5 percent over 1978. Agricultural trucks reached 345,000, up by 367.7 percent over 1978; the motive power of irrigation and drainage machinery reached 78.281 million horsepower, up by 19.4 percent over 1978. Rural electricity use reached 46.2 billion kWh, up by 82.5 percent over 1978. There has been a substantial rise in the utilization rates of farm machinery and the results are better than before. One basic reason for this is that the masses' enthusiasm to manage farm machinery has been motivated. It isn't the state now that wants the peasants to mechanize, it is the peasants themselves who are enthusiastic about mechanization. They are deciding whether or not to use machinery on the basis of economic results and are striving to make the greatest possible use of machinery and showing concern for maintenance of their own machinery. This growth in farm machinery will continue along with development of the commodity economy and technical progress.

B. There has been an obvious increase in machinery adapted to household utilization and economic diversification.

After implementing household administration, most of the machinery purchased by the peasants was medium and small in scale, and the number of small and walking tractors grew very quickly. Other machinery adapted to household administration also increased rapidly. The development of economic diversification has led to ever-growing amounts of machinery for purposes other than cultivation, and the number of farm trucks has grown more than 3-fold in recent years. The increase would have been even faster had it not been for fuel restrictions. Most of the peasants' tractors are used for shipping. According to statistics from 123,000 farm machinery stations in 27 provinces, shipping activities accounted for 60 percent of all work done by tractors. There is considerably demand for various types of processing machinery in rural areas and the rate of growth in rural electricity use is related primarily to the development of township and town enterprises.

C. Burgeoning growth in privately owned and managed machinery.

With the exception of most irrigation and drainage machinery and some large machinery, most of the machinery suited for household utilization has been shifted to private ownership or turned over to individuals for management. The number of tractors in rural areas controlled by individuals now accounts for 77.9 percent of the total. The peasants not only have medium and small-scale machinery but also have some large and medium-scale machinery including trucks, large and medium-scale tractors, motor boats, and so on. About two-thirds of the tractors used by collectives now have been contracted to individuals for management. The ultimate result of this method is that most will be transferred to individual management. Because many households with contractual responsibility strive to "piece together machinery" to make a profit, it is possible that the tractor they contracted for may be essentially worn out 2 or 3 years later. All of those who assume contractual responsibility have made a profit and bought new machinery, so the contractual responsibility is allowed to lapse for implementation of individual management. This sort of change is one of the most obvious characteristics of current reforms in management patterns for farm machinery.

D. There are multiple managerial patterns for farm machinery.

Current managerial patterns for farm machinery may be placed into the following types: (1) Collectively owned with individual contractual responsibility for machinery: Collectives use specific indicies (most only require that the contractual funds and contractual machinery be completed well, and some stipulate a specific amount of field work) to contract tractors or other machinery and tools to individual managers. Utilization rates of the farm machinery improved substantially following contractual responsibility, as did individual incomes. There were major losses to the machinery, however, as well as an obvious reduction of their useful life. (2) Purchase and management of farm machinery by peasant families and individuals: Besides their own use, they also can provide compensated services for others. The expense generally is rather high and the utilization rates, completion rates, and economic benefits all are rather good, but relatively little is used for field work. The present shortage in fuel supplies has affected the work of farm machinery. (3) Associations of peasant households who purchase and manage tractors: The situation here is roughly the same as for (2). (4) Specialized farm machinery teams: Collectives give contractual responsibility for farm machinery to specialized teams and stipulate the number of machines and tools, costs, consumption, personnel, amount of work, profits to turn over, and so on. The farm machinery teams practice independent accounting with rewards for exceeding quotas. Contractual responsibility and accounting for complete equipment sets or single pieces of equipment also are implemented within the teams. They sign contracts with the peasants and provide services. Most of the patterns arose in locations where the collective economy is rather strong and where there is a substantial amount of farm machinery forces (like the northeast). (5) State-run tractor stations: These basically maintain the managerial patterns of the past but they do have internal systems of contractual responsibility. Most of them are involved in maintenance, manufacture and other projects, the latter even predominating in some.

The first two of the management patterns described above are the most prevalent. This situation of co-existing managerial patterns will continue for a long time to come. The situation varies in different areas and there also will be differences in the development of the various managerial patterns. Whereas the pattern dominated by household management makes better use of farm machinery than in the past, it also has some characteristics, especially in macroeconomic and developmental terms, that require greater attention.

1. The restrictions of household management prevent full use of the role of farm machinery. Under the present conditions of technical progress, failure to use machinery in the production and management processes would make it harder to raise labor productivity and shift the surplus labor into other industries, so it cannot be used well for the development of commodity production. At the development level of the rural economy in China within the short run, however, many areas would be subject to financial restrictions if every household were to buy all types of machinery. They would be purchased merely because they have the money and there would be no profits. The land that is being managed by innumerable households in China averages only 7 or 8 mu, and few households are managing large tracts. Moreover, other enterprises that depend on household administration are small. They plant a small amount of land but still need to purchase a full complement of farm machinery that actually cannot be used well, so the utilization rate of the machinery is low. The scale and duration of utilization also are small. The use of machinery also requires a full set of systems for machinery services. Mechanized production requires many different types of raw materials, fuel and auxiliary materials. Most products must be warehoused, shipped, sold and so on, which also requires a lot of social services. Household managed mechanization requires a certain scale and socialized systems. The amount of land available per peasant family in Japan is more than double that of peasant households in China. Peasant families have achieved mechanization, and socialized services also are rather good. They feel deeply, however, that this involves substantial waste. This certainly deserves our attention. Failure to consider scale and to provide good socialized services and cooperation in a simple pursuit of mechanization would make attainment of the optimum economic results impossible.

Some have used the example of small family farms in the United States, which prove the vitality of household mechanization, and feel that we should do as the Americans have done and treat this as the optimum development prospect. This does not respect the realities of China. The small family farms in the United States defined according to total sales ($20,000 and less) have an average of 120 acres of land, equivalent to more than 700 mu. This is about the same as the amount of land held by an entire village in China. Of course this scale has the conditions for mechanized production. It should be noted that household management in the United States is not independent. They all are integrated through a system of socialized services and are a component part of socialized production. For exactly this reason, their economic results are not at optimum levels. In intense competition, the small farms cannot compete with the large and medium sized farms, and their scale is

expanding continually while the land is becoming increasingly centralized. Family farms in West Germany hold an average of 16 hectares (240 mu) of cultivated land, which they also consider too small, feeling that 30 to 40 hectares (450 to 600 mu) is most appropriate.

2. Various types of blind action have occurred in farm machinery production and purchasing. Some areas have noted the high sales of tractors, especially small ones, and built plants blindly. The production capacity of the original plants was not being fully utilized, but they built new tractor plants. There is a lack of coordination with the real needs of the peasants in farm machinery production in such areas as product type, quality, and so on. Some areas now have quite a few farm machines and everyone is competing to buy them. The machinery of some collectives remains underused, even locked up, while individual peasants compete to buy. Several families will install pumps at the same time at a single well and competition to draw water is commonplace. Some machinery that should be retooled and that consumes a large amount of oil still is being traded and used. Some households are even buying worn-out machinery parts and assembling them into machinery that consumes a lot of fuel. There is a loss of coordination between the growth in machinery and fuel. This sort of machinery is not matched up well and increasing amounts of power machinery are being used. Many accidents occur and cause startling injuries. This sort of phenomenon has caused substantial waste of farm machinery, energy, capital, materials, manpower and other things. The economic results, especially macroeconomic results, are not good.

III. The Trend Toward Agricultural Machinery Cooperation

The development of agricultural mechanization is determined by the level of economic development, the level of science and technology, various interrelated factors within the national economy (such as the machinery manufacturing industry, energy, communications, etc.), and the need to develop production. Agricultural machinery is a means of production and is one of the factors in the forces of production. Its development has a major affect on the relations of production while it itself exists and develops within specific relations of production and is subject to various types of restrictions by the latter. It can develop smoothly only within the appropriate relations of production and management systems.

Rural production in China now is developing in the direction of commercialization, specialization and modernization. The rural economy and peasant income levels are steadily improving and our entire national economy now is progressing toward the goal of modernization. This enables agricultural mechanization to develop in a more prosperous manner. It is predicted that by the end of this century the total motive power of China's farm machinery will reach 450 million horsepower. The greatest restricting factor here is fuel. If the current irrational proportion between the growth of machinery and that of fuel continues, the development of agricultural production will be substantially affected.

The greatest problem in agricultural mechanization is not growth in quantity but the transformation of quality. This is particularly important in view of the rushing progress of new technologies in the world. Many farm machines in China require updating and replacement and the farm machinery industry should develop and produce many types of new, high quality, low consumption and inexpensive farm machinery products. The types of farm machinery also should adapt to new needs: (1) To the development of economic diversification in rural areas and the need for multiple industries to develop different types of machines, especially machinery for farm product processing, feed processing, and so on. (2) To the requirements of constantly developing biotechnologies, developing various types of machinery and tools that can use them to the greatest possible extent. (3) To the current fuel shortage, developing more electrically powered machinery. (4) To the situation in which most rural areas are characterized by household administration, developing small scale and convenient machines and tools. (5) To the characteristics of local areas, producing machinery adapted to local conditions. This requires the formulation of plans and regional arrangements.

The development of agricultural mechanization cannot be detached from developments in the pattern of farm machinery management. Currently the number of state-run tractor stations is small. The state has limited investments in this area and relations with the peasants are not very close, so there can be no substantial development.

Specialized farm machinery teams with contractual responsibility to collectives should use the enormous strength and rather strong agricultural mechanization forces of the collective economy. The division of labor and enterprise is rather developed and there are rather strong technical personnel and rather high levels of management and administration. But few locations have these conditions which will be difficult to create for a rather long time to come, so there will be no major development.

The conditions exist for development of household associations for purchases and for administration given the difficulties that single families would have in making independent purchases of machinery and in decentralized land management. There are quite a few disputes over machinery utilization, economic accounting, and distribution of benefits within them, however, and they require leadership by personnel with managerial and administrative abilities or other unifying factors (such as relatives and friends, other types of management that require associations for farm machinery management, and so on before they can be consolidated and developed. This pattern cannot develop quickly in the short term but may develop to a greater extent in the future.

Collective ownership and individual contractual responsibility for machinery actually is a transitional form. When implementation of systems of contractual responsibility based on households first began, this was the primary pattern in farm machinery management but now has declined gradually to a secondary position. After a few years, collective farm machinery will be eliminated and this pattern will decline as a consequence.

The pattern of individual purchases and management now is developing rapidly and will become the majority pattern within a short time. The development trends of this pattern are of decisive significance in the development of farm machinery managerial patterns in China. We now allow its existence and development and there will be no "communist wind" in the future that will collectivize machinery owned by individual peasants. It must be acknowledged that the peasants expend their own labor to gain property and the state and collectives cannot expropriate it for any reason, so it will be owned and managed by households for a long time to come. Complete household ownership of farm machinery, however, also involves the various restrictions mentioned above, and it is not adapted to the need for development of the forces of production, the need or economic results or the requirements of social development trends. In the final analysis, the root of social development is that the forces of production determine the relations of production. The development of China's rural commodity economy at the present time and of socialized production require that producers have their own position and also that they establish extensive cooperation and various types of associations. Although farm machinery under household management continues to develop at present, when production develops to the point where it surpasses the scope of household administration and becomes increasingly socialized, the trend toward cooperation will become increasingly apparent. The political and economic conditions of socialism in China are conducive to this sort of development.

An examination of current trends in the development of household managed farm machinery indicates that the pattern of agricultural machinery cooperation in the future will be cooperation founded on household management. Farm machinery still will be owned by the households, which will manage and maintain it. Mutual regulation of its utilization can be done within the scope of the cooperative organizations. The cooperatives will determine fee collection standards and collect expenses when providing services to other households. The cooperatives can serve each of the machinery-owning households in such areas as purchasing fuel and parts, technical training, guidance, supervising credentials, and so on. They cannot encroach upon the ownership rights of each household, nor can they damage the initiative of the peasants to manage farm machinery. In addition, they can resolve problems like the limited strength of single households, an overly small scale of management, difficulties in making individual purchases of machinery, low machinery utilization rates, simple social associations of single families and households, and so on. This integrates the initiative of the individual with the superiority of cooperation. This pattern already has appeared in several areas. Many villages in Yantai Prefecture in Shandong Province have established this type of cooperative management.

The "farm machinery circles" organized in West Germany deserve our examination. This sort of organization is formed voluntarily by the peasants and has the task of providing the peasants with machinery and labor services. The "farm machinery circles" own no machinery, which remains under peasant ownership. They serve only to organize coordination among the peasants, with compensated utilization. Unified fee collection standards are set by a national "farm machinery circle" association, and the fee collection standards

are different for tractors of different horsepower and for different activities. The fees can be paid directly or they can be paid at the bank through the "farm machinery circles." The "farm machinery circles" can reduce peasant household expenditures for purchases of farm machinery and also make it possible for each small farm family to achieve mechanization. Besides regulation of surpluses and shortages of machinery, the "farm machinery circles" can also regulate labor power and provide services to farm families that need labor. One "farm machinery circle" generally has 300 to 900 families and the average is 576 families. About one-third of the farm families in the state of Bavaria in West Germany participate in "farm machinery circles." France, Austria, Switzerland, Holland, Norway and other nations also have organizations similar to the farm machinery circles. We cannot copy the organizations in other countries and must begin with the local situation in rural areas, but this should not stop us from borrowing from experiences of other countries.

In addition, individual household ownership and independent management can serve as the foundation for cooperation in services in many areas like machinery purchases, parts, fuel, maintenance, training in operations, supplies of other means of production, sales of products, coordination of activities and so on. This is especially welcomed by the large farm machinery management households that now are developing. Farm machinery societies have appeared now in all areas and they basically are of this nature.

The managerial patterns of agricultural machinery in China will take a winding path: collective ownership, collective management--household ownership, independent management--household ownership, cooperative management, household management and cooperative services. The outcome still is to take the cooperative path and the final two patterns will retain the superiorities of collectives, discard a high degree of centralization and the problems of "eating from the big common pot," and it will absorb the advantages of household management while eliminating its restrictions. It can adapt to the socioeconomic conditions of rural areas in China and improve the economic benefits of agricultural mechanization.

For a long period to come, agricultural mechanization in China will see the coexistence of multiple managerial patterns. However, as time passes various forms of cooperation will develop, especially cooperation in management based upon household ownership. We should take the initiative in creating the conditions for their development.

Under China's conditions, agricultural mechanization and cooperativization will develop jointly and in a supporting fashion. Mechanization is the embodiment of the socialization of production and can fully play its role only under socialized production. The development of agricultural mechanization provides the material foundation for the development of agricultural cooperativization, and it promotes the development of the cooperative system. By contrast, the cooperative system also provides the social conditions for the development of mechanization. Agricultural modernization cannot be achieved under conditions of petty production.

If we wish to modernize agriculture, we must strive for cooperativization; our basic direction should be to place the initiative of the peasants for farm machinery gradually on the cooperative road. Attention should be given to studying the experiences of all areas for agricultural machinery cooperation and promote the development of agricultural machinery cooperation.

For a long time to come, we should permit the existence of many different managerial patterns for farm machinery to motivate positive factors in all areas and promote the development of production. We must not damage the initiative of the peasants to manage farm machinery. Instead, we should support development of the cause of managerial patterns in all areas. Preferences should be provided to agricultural machinery cooperation organizations in the areas of taxation, credit, and so on, and things should be facilitated in fuel supplies and other types of activities. Organizations which maintain state-run and collective administration should be assisted in establishing responsibility systems, perfecting management and administration systems, and improving work efficiency and economic results to consolidate and develop them.

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NATIONAL

CURRENT SITUATION OF SPECIALIZED HOUSEHOLDS

Beijing ZHUANYEHU JINGYING BAO in Chinese 9 Nov 85 p 1

[Commentary: "Accurately Understanding the Current Development of Specialized Households--A Commentary on Problems Encountered During Their Development"]

[Text] The development of specialized households has already been underway for several years. In general, people realize that specialized households have made and will continue to fulfill an important and pioneering function in several areas. These include stimulating the rural commodity economy, reforming the rural industrial structure, and applying advanced management methods and production technologies.

In evaluating and analyzing the development of specialized households, however, some comrades, especially those cadres concerned with the rural economy, have reached different conclusions. We must pay attention to these two types of incomplete conclusions.

The first is an overestimation of the development level and size of specialized households. They believe that the development of specialized households is already far advanced. This understanding exists primarily in those areas where the specialized households developed early and where the economy is better developed. According to statistics gathered by related sectors in the state and calculated according to a nationwide standard, there were 4,256,000 specialized households in 1984. This was 2.3 percent of the total rural households. In Anhui Province where promotion of the agricultural production responsibility system occurred early, they were only 1.73 percent of the total rural households. In Zhejiang Province where the economy is better developed, specialized households were 4.3 percent of the total rural households. Related studies indicate that most specialized households are now labor oriented; technically and intellectually oriented households are fewer. With respect to management, most are traditional households which depend upon experience. Fewer are modern households which emphasize science and communication. These findings demonstrate that the development of specialized households is still in its initial stages. There are proportionally few specialized households, and their degree of specialization is relatively low.

There are four reasons for this incomplete understanding. 1. Standards for classifying specialized households in many areas are lower than the national

standards. Therefore the statistics are higher. 2. Some areas do not follow the development principles for the rural commodity economy. They establish arbitrary goals for the development of specialized households. 3. Some of the lower leadership levels use preferential treatment involving grants of funds and land to create typical models. 4. Some newspapers, magazines, and the propaganda sector inappropriately exaggerate the development of specialized households. These situations affect both the normal and healthy development of specialized households and the objective evaluation of specialized households by some comrades.

The second type of limited understanding involves an underestimation of the position and function of specialized households in the development of the rural commodity economy. They passively observe some problems during the development of specialized households and doubt their future. This type of thinking is caused by a lack of overall understanding of the actual situation. Surveys conducted by related sectors have shown that in 1984 the professional income of specialized households was more than 75 percent of the total family income. Their degree of specialization is much higher than that of ordinary households. The average commodity rate of specialized households engaged in planting, forestry, animal husbandry, and fisheries is about 68 percent, more than twice that of general farming households. During the first half of 1985 related sectors in more than 20 provinces, cities, and regions nationwide conducted a survey of more than 7,000 specialized households. This survey verified that specialized households paid almost 100 yuan per capita in taxes, a rate that is 14-fold higher than that of general farming households. Community dues per capita were also more than threefold higher than those of general farming households. Per capita income was more than twice that of general farming households. At the same time, many specialized households have become leaders in the development of the local commodity economy. Many areas have formed specialized villages and townships as a result of their leadership. This evidence demonstrates that although the development of specialized households is still in its initial stages, they possess great potential. There should be no doubt about their future because specialized households meet the objective requirements for the reform of China's rural economy and the development of the commodity economy.

Since the founding of the nation, experience gathered from rural economic work has shown us that we must first accurately understand the development of current rural productivity. We can then accurately estimate and analyze the rural situation. Specialized households are one of the major components of current rural productivity. Overoptimistic or overpessimistic estimates of specialized household development are detrimental to both their own development and the overall development of the rural economy. We must accurately understand the developmental situation of specialized households. Only in this way can we actually lead the healthy and steady development of specialized households in the direction of socialism.

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NATIONAL

SOCIOLOGIST SEES PEASANTS AS 'BIG HOPE' OF FUTURE

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[Text] Beijing, February 15 (XINHUA)--China's 800 million peasants, many of whom were once starving, are now leading the country into the next century, a leadeing sociologist told XINHUA.

Dr Fei Xiaotong, 75, president of the Chinese Sociological Research Society, wrote in his graduation paper at the London School of Economics and Political Science in 1938 about the mass starvation in China's countryside.

Almost 50 years later, he now believes that "the peasants, who comprise 80 percent of the country's population, are China's big hope for the future."

This conclusion is based on the findings of extensive investigations he has made in recent years into China's rural economy.

Since 1979, Dr Fei has returned many times to his native Wujiang County, Jiangsu Province, where he started his investigations half a century ago. He probed rural economic development and the growth of small towns to prepare advice for the government. He also visited Inner Mongolia and Gansu Province.

Reviewing his findings, he said that since the introduction in 1978 of the responsibility system, in which reward is linked to effort, the peasants had become increasingly enthusiastic about stepping up production. This had resulted in a big growth of a diversified econojy and of small rural industries.

In the 1960s, Dr Fei's native village had no industry at all. Now, there were four factories there, with a total output value of more than three million yuan a year, or four times the total agricultural output.

Even local earnings from rural sideline occupations were much bigger than from farming. Per-capita income of the villagers had risen from 130 yuan in 1980 to 712 yuan last year--312 yuan more than the national average for peasants.

Dr Fei said there were signs of prosperity all over China's countryside, with peasants anxious to work for better living standards.

With the advance of socialist modernization, the peasants were changing their traditional ideas and outdated production methods. They were becoming more outgoing in their lifestyles.

He said the peasants were no longer satisfied with simply tilling the land as their parents did, and many had started businesses. Some had opened small workshops and factories. In his native county, 28 percent of the labor force worked in industry.

An increasing number of peasants from more-prosperous coastal areas were moving to the less-developed interior which offered the best opportunities for growth.

While in Gansu in the northwest, he found many peasants from his native Jiangsu Province working in service trades. A woman repairing shoes told him she had travelled to the interior with 1,000 others.

Dr Fei said rural attitudes were changing fast. In the past, young people looking for marriage partners would seek gentle and understanding wives and strong and honest husbands. Now they wanted partners with special abilities and a pioneering spirit.

Relationships between family members were also changing, he said. In the past, the eldest of the family acted as its head, and expected all others to follow. Today, the better-educated were taking charge.

Many peasants were now very busy in the evenings attending night schools and learning new skills.

With bigger incomes, many open-minded peasants--the young in particular--were no longer satisfied with just having enough food and clothing. They wanted better housing and more consumer durables.

Dr Fei added that during his investigations he had also found problems and contradictions. Some peasants had acquired wealth at the expense of the interests of the state and the people.

However, he added that such cases were isolated, and did not represent the main trend in the rural reforms. All problems would be solved with the advancement of the reforms and the perfection of the legal system.

/6662
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PROBLEMS ON PRICES OF AGRICULTURAI PRODUCTS

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
No 10, 23 Oct 85 pp 15-18

[Article by Li Yuzhu [2668 3796] of the Chinese Academy of Sciences Agricultural Economics Institute: "On Some Issues in Farm Product Prices"]

[Text] The gradual deregulation of prices for agricultural products is an important aspect of price system reform in China and is of far-reaching significance for readjustments in industrial structures in agriculture and development of the rural commodity economy. After farm product prices are deregulated, however, many problems require further study and exploration. This article will present some preliminary viewpoints concerning macroeconomic control of farm product prices and whether or not price planning is necessary, as well as models of farm product price forms and other questions.

1. The Question of Macroeconomic Controls over Farm Product Prices

One important issue following deregulation of farm product prices is whether or not the level of farm product prices should be controlled and ways to achieve macroeconomic control over them.

After deregulating farm product prices, macroeconomic control over them must be enhanced. This is determined by factors in three areas. The first is that rationalization of the structure of agriculture requires control of the level of farm product prices. The relative level of farm product prices is closely realted to the structure of agriculture. One of the primary goals of price deregulation is to reflect changes in the relationship between value, supply and demand during the formation of farm product prices, to open up price differentials based on quality, season and region, to form rational price ratios, to readjust the structure of agriculture according to market demand, and to achieve coordinated development in agriculture. This means that a certain degree of fluctuation in the level of farm product prices is unavoidable as well as rational. However, if there are major rises and falls in addition to intense fluctuations in the level of prices, which are an important means of control to regulate the distribution of resources and labor power, there may be large-scale shifts of agricultural resources and labor power between the various sectors of agricultural production. This would lead to a lack of concern for the level of production of certain agricultural

products and to new losses of equilibrium between supply and demand, which would not contribute to rationalization of agricultural structures. The second is that protection of the interests of producers, managers and consumers and a consideration of their ability to bear prices requires that farm product prices be controlled. The ability of producers and consumers to bear fluctuations in price levels is limited at any particular time. The current situation in China is one in which the scale of management in agricultural production is too small and the incomes of urban residents are low, so they have a low capacity to bear them. If the fluctuations in the level of farm product prices are excessive, the problem is not that it would affect the lives of urban residents but instead that it would affect peasant incomes. In 1985, price deregulation for certain farm products led to just such a phenomenon in certain areas. This shows that in order to protect the interests of producers and consumers, we must have macroeconomic control over the level of farm product prices. The third aspect is that stabilization of the prices of farm products that serve as raw materials for industry requires controls over the level of farm product materials for industry requires controls over the level of farm product prices. Many farm products are the raw materials of industry, and their prices directly affect changes in the prices of the industrial products related to them. All of these things require that the level of prices be controlled from farm products after price deregulation. We cannot ignore them and permit large self-generated price fluctuations in the market.

How can the prices of farm products be controlled? Besides control over the amount of money circulating in society and consumption funds, there are two aspects within agriculture itself?

First, control or regulation of the factors that affect changes in the level of farm product prices to control price levels for farm products is a factor control method. There are two main types of factors that affect changes in farm product prices. One is change in the cost of farm products and the other is change in the relationship between supply and demand. Generally speaking, change in the relationship between supply and demand is a primary factor that controls abrupt fluctuations in prices. It actually involves a relationship of equilibrium between supply and demand for the use value of farm products. For this reason, control and regulation of the level of supply and demand for farm products is an important route toward control of the level of farm product prices. To achieve equilibrium between supply and demand for farm products, we can divide control into two levels. The first level is equilibrium between the amount produced and the amount consumed. This method mainly involves the use of information, forecasts and other measures to assure that decentralized producers understand social demand and that they produce according to markets and social demand. Taxation, financial policies, credit and other economic levels are used to coordinate the contradiction between the local interests of scattered producers and demand, and to solve various macroeconomic problems of equilibrium between production and consumption of various farm products. For example, whenever supplies of a certain farm product cannot meet demand, examption from taxes, financial subsidies and low-interest laons can be used to encourage the development of production and control sharp price increases. Whenever supply exceeds demand, the opposite

would be appropriate. The second layer of controls refers to the temporal and spatial relationship between supply and demand within a certain time period or sphere of circulation. The methods are two-sided. One involves use of information on supply and demand and similar measures to guide each manager to make rational movements between reserves and regions as required for agricultural products. The other method is to make use of the role of the state-run economy in market regulation.

Second, there can be control of the price levels of farm products themselves. This involves the two basic methods of direct control and indirect control. The first set prices through state plans such as fixed prices and floating prices for direct formulation of farm product price levels. The other type involves no direct state control over the level of farm product prices but instead adopts two types of protected price methods. When prices are too high for consumers, the managers are subsidized for sales below market prices or direct subsidies are given to consumers. When prices for producers are too low, the method is to use subsidies to managers and purchase prices above the market price or subsidies to producers and other indirect methods to maintain stability in market prices. These two methods can be utilized either separately or jointly.

To employ the role of market control in the formation of prices and marcoeconomic control over farm products prices, we should strive to expand the use of factor control methods and indirect price level control methods and reduce the use of specified price levels and direct control methods.

II. The Issue of Whether There Should Be Control of Agricultural Product Prices

If farm product prices are gradually decontrolled, are planned prices necessary? There are two views at present. The first is that there should still be planned prices for a limited number of important farm products. The second viewpoint is that all planned prices should be eliminated and that farm product prices should be determined entirely by the market or that farm product price systems should be allowed to seek rationality on their own between market supply and demand.

I feel that research on farm product price systems and whether or not to maintain planned prices should involve consideration of the following three questions:

First, there are the characteristics of the form and roles of planned prices for farm products and market prices. Planned prices have the following characteristics: the first is that they are conscious. They serve to represent the state, its people and the interests of society and formulate prices on the basis of the natural laws and economic laws of the development of society and agriculture for conscious regulation of agricultural productions, circulation and consumption. The second is that they have a planned nature. Planned prices serve as a means of regulation for the planned economy. Their regulatory goals, patterns and levels are clearly spelled out in the plan. The third is that they are predictive. Planned prices use

analysis and prediction of various relationships and trends in development and use the patterns, levels and managerial methods of pre-formulated prices to regulate the various proportional relationships within agricultural reproduction over a certain period of time to obtain a balance between agricultural production and social demand so as to achieve coordinated development of agriculture. The fourth is that they have a unified nature, meaning that within a particular time or scope there is unified implementation of planned prices. The fifth is that they have a stable nature. Within a particular time or place, prices are relatively stable and no fluctuations can occur.

The formulation and functions of market prices have the following characteristics: One is that they are self-generating. Market prices are formed under the self-generating role of the law of value and during countless exchange activites. The second is that they have a blind quality. What or how much the peasants produce is determined in a decentralized manner primarily on the basis of fluctuations in market price levels, so thet have a blind quality in regulating of economic activity. The third is that they have an ex post facto quality. Under conditions of market price regulation, what or how much the peasants produce is determined mainly according to actual price levels. Excessively high prices for a certain farm product will attract producers to invest their resources and labor in this sector while an overly low price will cause the producers to pull their resources and labor power out of this sector. Actual price levels, however, are the result of the role of the various relationships within production, circulation and consumption. This means that regulation of market prices is done at a later time and has a certain delayed quality. The fourth is flexibility. Market prices reflect sensitivity to the factors of changes in prices and change frequently according to different situations. They can be dynamic in guiding production, circulation and consumption. The fifth is that they have a fluctuating quality. Market prices change frequently over different time periods or regions and the degree of change is substantial. Theory and analysis would make it seem that planned prices are far superior to market prices, but in practice planned prices are determined through knowledge and consideration of the natural and economic laws of agricultural development and their various relationships. These laws and the various relationships are extremely complex, however, especially since the relationships are constantly changing. In combination with the fact that agriculture is subject to the effects of various uncontrollable natural factors and the great variety of farm products, complete identity between people's understanding and objective developments is impossible, sometimes to the extent of producing major differentials. Market prices, do of course, have the advantage of flexibility. Fluctuation within a certain range makes it possible to fully employ the role of price regulation, but it also has shortcomings like being self-generated, blind, ex post facto and subject to abrupt changes. For this reason, farm prices systems should strive to make use of the advantages and avoid the shortcomings of each, and adopt them separately or jointly according to different conditions.

Second, there are the charactertistics of demand for farm products. Some farm products like grains and oils are basic consumption products needed for daily living. Their price levels not only directly affect the interests of the

people but also require extremely small elasticity. The requirement for macroeconomic equilibrium of supply and demand is even more strict and an imbalance between supply and demand cannot be permitted. Certain other farm products have substantial elasticity and do not place such strict demands on macroeconomic equilibrium between supply and demand.

Third, there are the characteristics of agricultural production in China. This involves two main aspects: One is that China has a large population and little land. Agricultural production has developed rather quickly in recent years and supplies of most basic farm products have met demand with capacity for deferment, in some cases to the extent that low level surpluses have appeared. From a long-term perspective, however, supplies of farm products will tend toward shortages for a substantial period into the future as the population grows and incomes increase to a substantial degree because people's ever-growing needs must come from an average of 2 mu or even less cultivated land. Herein the distribution of cultivated land in all departments within agriculture has low elasticity as well as little room to maneuver. The second is that land has a common use as the basic means of production in agriculture and a special use as the means of production in industry, so the formation of macroeconomic structures in agriculture is different from that in industry. Generally speaking, the macroeconomic structures of industrial production are determined by the structure of enterprises. Changes in their macroeconomic structures are achieved through the use of capital investments for new construction and expansion or for shutdowns in production and management. The macroeconomic structures of agriculture are not subjected to the restrictions of enterprise structures to any great extent, and instead are decided upon by the enterprises, so there is not need for investments of shutdowns, and there can be free movement among many sectors of agriculture. This is another important reason why there should be rather strict control over a small number of farm products.

To summarize, the state should focus on a certain number of important farm products to guarantee equilibrium between supply and demand for this small number of important farm products and to guarantee supplies of basic needs, and it should set planned prices for this group of farm products. This sort of planned price is not the same as unified and assigned purchase prices. Instead, it absorbs the advantages of market prices and explores the formation of new planned prices. For example, in an organization structure that determines prices, planned price appraisal committees can be set up according to products, and the members of the appraisal committees can be composed of representatives of related governmental departments, producer representatives and consumer representatives as well as specialists and scholars to facilitate listening to opinions from all areas, to suggest programs, and to report them to the government for approval and implementation. In price formation the state would stipulate only a middle standard price and the degree of upward or downward fluctuation, and certain rights to flexibility should be given to localities. In dealing with the relationship between planned prices and market prices, planned prices cannot be allowed to change totally in accordance with market prices, nor can they be too far detached from market prices. Planned prices should absorb the rational factors of market prices and also play a guiding role in market prices. These planned prices,

determined once each year, would be promulgated 3 months ahead of planting and would be accompanied by fixed purchase contracts signed with the peasants for the next season or next year. To investigate the patterns and degree of response of localities and peasants to a new year's prices, there also can be a feedback process to revise and adjust prices according to feedback information. In summary, we must strengthen the scientific nature of planned price policies, reduce their subjectivity, and make planned prices conform rather closely to reality.

III. The Issue of Models of Price Forms for Farm Products

With the deregulation of farm product prices, what sort of model should be used for price forms? A discussion of this question has spread among agricultural economics circles in recent years. Many comrades have proposed "market prices as the primary factor under guidance by planned prices," "guidance type planned purchase prices as the primary factor," "floating planned prices as the primary factor," "state unified fixed prices as the primary factor," "negotiated purchase and negotiated sales prices as the primary factor," "free planned prices," "dual protection prices," and other models for the forms of farm product prices. Although these models are to a certain extent an outline of realities in the reform of farm product prices in China, each also has a specific rationale. However, all of them basically involve a consideration of the question from different perspectives and different aspects, so it is difficult for them to reflect comprehensively the characteristics of farm product price forms.

First, the formation of farm product prices is extremely complex. There can be many different families and types of price forms according to different perspectives, different aspects, and different criteria. After farm product prices in China are deregulated, they can at least be divided into five groups and more than 10 types of price forms on the basis of five different criteria. One involves classification on the basis of whether the prices are included in plans. These can be divided into patterns of planned prices, market prices, and integration of the two. The second is classification according to whether price levels change over a certain period of time and the degree of change. These can be divided into fixed prices, floating prices, and free prices. The third is classification according to who sets the prices. These can be divided into prices set by buyers, by negotiations between buyers and sellers to set prices, and prices set by sellers. The fourth type involves classification according to whether the time of price settng and exchange of goods is the same. These can be divided into prices set before the exchange of goods, prices set at the time of exchange, and prices set after the exchange. The fifth involves classification according to whether protection is provided for certain farm product prices throughout China or in certain regions. These can be divided into exchange prices achieved in the market, and protected prices. Of course, this description of the five groups and ten-plus types of price forms still is incomplete and there realistically can be other criteria for classification. All of the models of price forms for farm products now being proposed start with one type of classification criteria, one price group, or one price form, for the purpose of consideration

and debate over questions. Of course, this method of researching problems based on these considerations makes it unavoidable that various groups and forms of price models will appear.

Second, the pattern in which they exist is not the same for the different price forms within a particular group and for different types of price forms within different groups. Different price forms within the same group exist relatively independently of each other. An example is grain prices in China, which utilize fixed prices, floating prices and free prices within the same group that are classified according to the criterion of whether there are changes over a particular period of time, and all of them assume a pattern of relatively independent existence within the actual exchange of commodity grain. Different price patterns that are classified within different groups using different criteria are the result of abstract analysis from different perspectives, and each of them exist as independent entities in practice. Contractual purchase prices for grain in China are an example. It can be said that they are both planned prices and fixed prices. It also can be said that they are official prices (which is a special form of buyer-set prices). It can as well be said that they are prices set before the exchange of goods. This is due precisely to the different patterns of their existence. When one criterion is used to classify different price forms within the same group to examine a problem, we feel that each has its specific rationale. When we jump over this boundary, however, and use many criteria to classify different price forms within the same group to examine a problem, the overlaps may appear and the limitations of each may become apparent.

Third, the classification of different groups and different price forms according to different criteria is not aprallel to this. It takes whether or not farm product prices are included in plans as the criterion for dividing them into price pattens of planned prices, market prices and combinations of the two, and is the fundamental price form. The various groups and types of price forms classified according to other criteria, however, are a manifested form of their concrete reality. Price models now being propsed include some that begin within fundamental forms and others that start with one group or one type to manifest the form, meaning that they cannot reflect the relationship between the two and cannot comprehensively outline multiple manifested forms.

In summary, when examining and studyng models of price forms for farm products in China, it is essential and beneficial that problems be analysed from different perspectives, but these cannot be made the whole. A basis in comprehensiveness and entirety means that the model of price forms for farm products should embody the characteristics of China's planned prices and market prices. This can reflect the concrete manifested form of each type. For this reason, models of price forms for farm products in China can be outlined as a mixed model of various types of price forms involving mutual integration of planned prices and market prices.

12539/13014
CSO: 4007/118

INTEGRATE URBAN, RURAL AREAS TO DEVELOP FOOD INDUSTRY

Beijing RENMIN RIBAO in Chinese 4 Dec 85 p 5

[Article: "Han Linguang [7281 2651 0342], Vice President of the China Food Industry Association, Discusses the Advantages of Having the Food Industry Take the Path of Integrating Urban and Rural Areas and Comprehensive Development"]

[Text] The CPC Central Committee and the State Council have paid close attention to development of the food industry, and leading comrades of the Central Committee have pointed out many times that the food industry should provide the people with nutritional, sanitary, convenient and substantial food products. The food industry is a top industry and many nations of the world now are treating the food industry, energy resources, population and environmental questions as a single topic and as a strategic problem, and they feel that the food industry is one of the determining factors in future world development.

The food industry in China has developed rather quickly, with a total output value in 1984 of more than 80 billion yuan. Practice over the past few years has proven that development of the food industry should begin with China's national conditions and that it should take the road of integrating urban and rural areas, integrating industry and agriculture, and comprehensive development of resources. Large and medium-sized cities should be the focus and counties and townships (towns) should be the link to form a vertically and horizontally integrated network for development of the food industry.

The food industry is an extension of agricultural production, and its raw materials come mainly from animal and plant resources. Only through development of the food industry will it be possible to utilize large amounts of farm and sideline product raw materials in a timely manner, and it can also promote the development of resources. In recent years, a group of township and town enterprises and specialized households have undertaken food product processing. They obtain their raw materials locally and process them locally. This not only increases the value of farm and sideline products and raises peasant incomes but also leads to a corresponding satisfaction of market demand and promotes the development of the food industry in China. This is a force that cannot be ignored and should be sustained.

In terms of the food industry as a whole, urban state run food industries and basic raw materials industries should focus on technical transformation, become backbone demonstration plants, and mainly develop top shelf food products. Production of mass food products as well as famous, special, and superior food products in rural areas should be done by the rural areas, with the urban factories providing technology, machinery, equipment, and manpower, and they also should provide information to the food processing industry in rural areas and train technical forces to permit even better utilization of resources. While developing and growing themselves, many food product plants in large and medium cities have been active in bringing along country, township, village and household food processing industries with quite a few benefits. In Anhui Province, Bengbu City has linked up with the country, the country has linked up with townships and towns, and the townships and towns have linked up with specialized households to form an integrated system of large-scale production. The Dalian Can Plant spent no state funds and built more than 30 branch plants in rural production areas. Processing capacity increased from 22,000 tons to 50,000 tons. In the past, the Baoding Can Plant brought fruit from Mancheng to Baoding for processing. The considerable rotting of the fruit meant that only a few tens of yuan in profits were made from a ton of cans. After setting up a branch plant in Mancheng Brigade, the profits from a ton of cans increased to 450 yuan. If China's urban food processing plants could bring along the more than 2,000 countries and city districts and the several tens of thousands of townships and towns according to specified standards, the food industry situation could be opened up even further.

The integration of rural and urban areas and comprehensive development of the food industry should involve various types of vertically and horizontally integrated enterprises. Examples include coastal areas and the interior, producing areas and marketing areas, advanced regions and backward regions, industry, agriculture and commerce, the state and collectives, state-run, individual and foreign investment enterprises, individuals and individuals, and other types of economic associations so that the advantages of each are centralized to achieve close integration of production, supply and sales. In Shandong, the state, collectives, and specialized households in four counties and one city formed the Dezhou Braised Chicken Enterprise Company. It integrates industry, commerce, grain, township and town enterprises, scientific research, and educational departments. In a little over a year, they built two chicken breeding farms, more than 1,000 individual household chicken breeding farms, two braised chicken processing plants and seven processing sites, a feather products company, five feed processing plants, and a refrigerated warehouse. They have formed a fully integrated production system of raising, processing, comprehensive utilization, management, and sales. The chicken braising capacity is 3 million per year. Facts have shown that the food industry not only requires no separateion of urban and rural areas but instead provides advantages for each. The urban factories are not detached from rural resources and rural markets, nor is rural food product processing detached from the technology, equipment, and supplemental raw materials of urban areas. It can develop only when the two are integrated. In a deeper sense, this sort of integration involves not only economic relationships but also promotes the establishment of new relationships between urban and rural areas and gradually eliminates the residual phenomenon of urban-rural rivalry, and it avoids taking the old road of excess centralization in cities and long-term depression of rural areas.

12539/6662
CSO: 4007/125

FIRST HYDROTROPIC GREENHOUSE PRODUCING VEGETABLES

OW221022 Beijing XINHUA in English 0805 GMT 22 Feb 86

[Text] Beijing, February 22 (XINHUA)--China's first hydrotropic greenhouse--where vegetables are grown in water-soaked sponges--began supplying Beijing's major hotels this week.

Transparent plastic covers the 270-square-meter greenhouse, located in the Dabeiyao section of eastern Beijing.

Planning began in January of such vegetables as celery, romaine lettuce, cauliflower, chives, peas, turnip greens and cucumbers.

While most of these are already grown in conventional greenhouses in Beijing's suburbs, the sterilized hydrotropic greenhouse needs no pesticides. At the same time, its plants receive care too expensive for all but luxury restaurants to afford.

But according to a biologist who has worked on the facility, the main purpose of the greenhouse is not to feed the affluent.

"It's an experiment," he said. While hydrotropic greenhouses are common in developed countries, they have not yet been used in China--the yield is too small considering the cost. The Beijing facility will be used to test the farming method for China, he said.

In the five-meter-high greenhouse, the vegetables have been planted on four shelves, covering an area of 405 square meters.

They are planted in sponges soaked with nutrients and water. Environmental conditions such as temperature, humidity and light are constantly regulated by computer.

The greenhouse is a project of the Great Wall Scientific Instrument Factory, which imported its equipment from Japan. If successful, the biologist said, it will be used to publicize hydrotropic farming throughout China.

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CSO: 4020/229

NATIONAL

MAYORS VIEW REFORM'S EFFECT ON VEGETABLE SUPPLY

OW201626 Beijing XINHUA in English 1430 GMT 20 Feb 86

[Text] Beijing, February 20 (XINHUA)--The reform in vegetable production, sale and price, initiated early last year, has enriched variety, improved quality and made it easier for consumers to buy vegetables.

This was the conclusion of mayors from 15 cities, including Shanghai, Beijing and Tianjin, during a meeting on vegetable supply now under way here.

In a country where the saying, "greens and beancurd keep doctors away" is popular, the Chinese like to have vegetables three times a day. The average consumption of vegetable per capita is estimated at around 0.5 kg a day. In Shanghai, the monthly spending on vegetables by each person in the urban region constitutes eight percent of the total expenditure on food.

Before the reform, production, purchasing and selling of vegetables was mainly controlled by the state. Now, farmers can do the work according to their own ideas and sell their goods to the state or on the open market.

The mayors noted that the improved quality and enriched variety stand as the most striking changes yielded by the reform.

Figures from Wuhan, Shenyang, Shanghai, and Tianjin show that the variety of vegetables increased from 20 to 40, and the quantity almost doubled after the reform. In Guangzhou, more than 30 kinds of vegetables are on the market each day. Despite the winter season, many vegetables, such as spinach, celery, leeks, carrots, green chilies, tomatoes and cucumbers, are still in sufficient supply in Beijing. Many of them are fresh and tender.

The reform has also made shopping much more convenient since it has spurred the establishment of open markets and changed the situation that the state-owned shops dominated purchasing and sales. Over 130 open markets have been added to the 320 state-owned ones in southern China's Wuhan, and here in the country's capital at least 10,000 peddlers are selling vegetables on the streets and in residential areas.

At the beginning, however, the reform pushed up prices, which led to complaints from consumers. But some observers said that the change triggered by the reform was normal, for, they pointed out, the prices had been too low and had remained unchanged for almost 30 years.

But Wang Mingquan, vice-mayor of Wuhan, believed that the present prices of some vegetables are a little bit high, though they appear stable, saying that a certain period of time is needed before prices find their own levels.

According to sources from the Ministry of Commerce, mayors here are considering several concrete measures in a bid to further improve the vegetable supply in cities.

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CSO: 4020/229

NATIONAL

NATIONAL AUTUMN, WINTER SOWING WORK CONCLUDES

Beijing NONGMIN RIBAO in Chinese 23 Jan 86 p 1

[Text] National autumn and winter sowing work has concluded. Based on statistics from 24 provinces, autonomous regions, and municipalities directly under the Central Government, in 1985, the sown area was 612,570,000 mu, an increase of 13,810,000 mu over the 1984 area of 598,760,000 mu, or an increase of 2.3 percent. Of the three major crops sown in autumn and winter, the area sown to grain and rapeseeds increased, the area sown to green manure crops decreased.

In 1985, the area sown to grain in autumn and winter was 432,230,000 mu, an increase of 4,410,000 mu over last year, or an increase of one percent. Of grain crops, the area sown to wheat was 373,020,000 mu, an increase of 6,930,000 mu over 1984, or an increase of 1.9 percent. There was an increase in wheat producing areas.

In 1985, the area sown to rapeseeds was 73,960,000 mu, an increase of 6,490,000 mu over 1984, or an increase of 9.6 percent. With the exception of slight reductions of the sown area in Hebei, Fujian, Guangdong, Guangxi, Sichuan, and Guizhou, all other areas increased.

In 1985, the area sown to green manure crops was 66,140,000 mu, a decrease of 3 million mu over 1984, or a decrease of 4.3 percent. Throughout the nation 11 provinces and municipalities reduced the area sown to green manure crops, Jiangsu reduced its area the most, by 1,730,000 mu. In 1974, the area sown to green manure crops was 140 million mu, since then it has been decreasing year by year, the sown area this year corresponds to only 47.2 percent of 1974.

Of the area sown to autumn and winter crops, the proportion of grain crops was 70.6 percent, the proportion of cash crops was 12.6 percent, the proportion of other agricultural crops was 16.8 percent. In 1984, the proportion of these three was 71.5 percent, 11.7 percent, and 16.8 percent respectively. From this we can see, the composition of planting is continuing to be readjusted.

CSO: 4007/278

NATIONAL

CAMPAIGN TO IMPROVE IRRIGATION, GRAIN CROP

OW170902 Beijing XINHUA in English 0840 GMT 17 Feb 86

["Mass Drive To Beat Grain Drain"--XINHUA headline]

[Text] Beijing, February 17 (XINHUA)--Peasants have launched a major drive to improve water conservancy facilities this winter in a bid to boost farm production, a government official said here today.

Reservoirs, drains and irrigation facilities across the country are being built or repaired by a mass army of almost 40 million peasants.

The official from the Ministry of Water Resources and Electric Power said these efforts would have to continue if China was to achieve its annual grain production target of 450 million tons by 1990.

He said that in the past, some local officials had ignored government calls to improve irrigation and drainage facilities, and many had fallen into disrepair through neglect.

Inefficient facilities had failed to cope with flooding in northeast China and drought in the south last year.

Because of this and cutbacks in grain acreage, China's grain output fell by about 25 million tons last year from the record harvest of more than 400 million tons in 1984.

The official pointed out that the total area of irrigated farmland shrank by 467,000 hectares between 1981 and 1984.

It comprised less than half the country's total farm acreage, despite the fact that irrigated land produced two-thirds of China's grain output and three-quarters of its cash crops.

This winter's drive to improve facilities had involved the shifting of 1.45 billion cubic meters of earth and stones up to the end of December, the official said.

In coastal Zhejiang Province in east China, a daily average of 370,000 peasants had worked on 23,000 water conservancy schemes since January 1.

Nearly 60 percent of these had been completed by January 15, adding 3,000 hectares of irrigated fields and improving irrigation on 12,300 hectares.

The country's rural output value had increased by an annual average of 10 percent over the past five years, mainly because of the success of rural reforms including the responsibility system, which links reward with effort.

However, the official said it was wrong to rely on the responsibility system without improving water conservancy facilities.

One of the system's advantages lay in stimulating the potential of these facilities for increased production.

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CSO: 4020/220

NATIONAL

BEIJING CONFERENCE DISCUSSES WHEAT PRODUCTION

OW180235 Beijing Domestic Service in Mandarin 1200 GMT 17 Feb 86

[Text] A responsible person of the Ministry of Agriculture, Animal Husbandry and Fishery today held a conference in Beijing for noted wheat experts across the nation. The conference analyzed the current situation in wheat production, and studied measures to improve it. It called on the various localities to promptly step up management of wheat fields and earnestly strive to gather a bumper harvest in 1986.

The wheat experts said: Since the advent of winter last year, the various localities have strengthened leadership over wheat production. As a result, the acreage sown to wheat has been stabilized and slightly expanded. The major wheat-producing areas in Shandong, Hubei, and Shanxi have expanded wheat acreage in various degrees. However, because of improper sowing last autumn, the wheat crop is not growing very well. Lax management of the wheat fields throughout the winter, and reduction in the use of fertilizers have seriously affected crop growth. The experts stressed that the various localities must intensify work during this crucial period for wheat production, by organizing scientific personnel to go to the frontline in production to help with technical training and popularization of science and technology. The scientific personnel must focus on training peasants about scientific farming. Currently, it is first necessary to step up management of the wheat crop, including that sown in the latter period. In the south, it is important to pay attention to drainage and prevention of pests and blight. In the north, it is necessary to adopt timely measures for soil moisture conservation, in order to fight drought and gather a bumper harvest.

The experts also called on various localities to prepare, without delay, delivery of chemical fertilizers, farm chemicals, and other important means of production to the rural areas. They must also ensure, as far as possible, power and fuel supply during the crucial period.

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CSO: 4007/283

SUPPLY, DEMAND FOR COTTON AND DEVELOPMENT STRATEGY

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 9, Sep 85 pp 30-33

[Article by Duan Yingbi [3008 2019 4310] of the CPC Central Committee Secretariat Rural Policy Research Office: "Strengthen Macroeconomic Regulation of Cotton Supply and Demand"]

[Text] Cotton production in China now exceeds sales and there are large warehouse overstocks. There is an urgent need for measures to expand sales, regulate production and achieve a balance between supply and demand as quickly as possible.

I. The Cotton Overstock Situation and the Economic Losses It Brings

After surpassing 40 million dan in 1965, cotton production in China has fluctuated around the 45-million-dan level continuously over the 15-year period up to 1979 with the exception of a rise to 51 million dan in 1973. Production began developing rapidly in 1980. From 1979 to 1984, the planted area increased from 67.67 million mu to 103.84 million mu, a growth of 53.4 percent. Average yields increased from 65 to 120 jin per mu, up by 84.6 percent. Total output rose from 44.14 million dan to 124.32 million dan, a 1.8-fold increase. The growth was most rapid in Shandong Province, where the total area grew more than two-fold and total output grew more than nine-fold in 5 years, and it exceeded total U.S. output in 1983.

The burgeoning pace of development basically has reversed the situation of inadequate cotton supplies to meet demand. Balance between supply and demand basically was achieved in 1982. Fixed supplies and imports were eliminated in 1983 and there were even small overstocks. Large amounts of overstocks began to appear in 1984. Contractual fixed purchases were implemented throughout China in 1985 and the purchase price of cotton from the north was lowered. The area planted also was reduced. Purchases, however, certainly will be no less than the amount of contractual fixed purchases, 85 million dan, while sales and export arrangements have been made for only 68 million dan. This means that reserves will expand even further when the new cotton comes to market in 1986.

The expansion in the amount of cotton in storage is very unprofitable in terms of macroeconomic results. One thing is that it takes up capital, with about 18 billion yuan being used for overstocks of cotton at present. This figure will grow to 21.6 billion yuan when the new cotton comes to market in 1986, which is equal to 14.5 percent of all the outstanding loans of the Agricultural Bank in 1984. In some cases, it appears that all the capital in prefectural and country agricultural banks in some concentrated cotton producing regions is tied up in cotton storage. The second problem is waste and loss. Each dan of cotton stored for one year costs 14.6 yuan in interest, 3.64 yuan in contractual management fees, and 5.50 yuan in losses from lowered quality, giving a total of 23.74 yuan. Calculation on this basis means that all would be lost by the seventh year. This is an enormous burden on state finances.

II. Use Control over Production and Expansion of Sales to Regulate Cotton Supply and Demand

Looking at the situation now, the achievement of a basic balance between supply and demand in cotton production in China in 1982 should have been followed by the adoption of measures to stabilize production for a period. This was not done at the time, however, and large amounts of overstocks began to appear in 1984. The problem became even more serious during the winter of 1984, and only then was it decided to adopt the method of reducing purchases and lowering the purchase price of northern cotton to reduce production. The will to do so was small, however, and the measures were not effective enough. The result was that no change appeared during 1985 in a situation of cotton production greatly in excess of demand, and overstocks continued to increase. The reason for this is that for a long time cotton supplies in China were insufficient to meet demand and the focus of work was placed on increasing production. This concept is difficult to change. In another sense, it also was due to the lack of a comprehensive estimate of peasant incomes and poor macroeconomic results of the entire national economy, and greater emphasis was placed on the former. Practice has proven that doing so benefitted neither the state nor the peasants. Some 50 to 80 percent of the credit capital in some counties located in concentrated cotton-producing regions is tied up in cotton warehouses, which has obstructed economic turnover in all areas. We must, therefore, make a decision to control production. We cannot, however, see controls over production as the only point of focus. Predictions from all related departments indicate that domestic sales and exports of cotton will not expand to 90 million dan until 1990 and that they will stabilize at around 95 to 100 million dan beween 1990 and 2000. These predictions show that simple adoption of measures to control production would lead to a substantial drop in output, which obviously is unfeasible. The peasants would be unable to withstand the economic costs and it also is impractical from the aspect of production techniques.

For this reason, a decision to control production should be accompanied by unusual and effective measures to expand domestic sales and exports of cotton. If we consider that by beginning now and increasing sales of cotton for wadding from the present level by 70 million, we could achieve overall stability in cotton production during the Seventh 5-Year Plan.

III. Prospects and Measures for Expanding Cotton Sales

Cotton sales mainly include cotton for wadding, textiles and exports. An examination of current market conditions shows that there is potential to be exploited for all three types.

A. Selling Cotton for Wadding at Reduced Prices: In the past everyone had one-half jin of cotton for wadding. The amount sold in 1978 was 5.278 million dan and increased to 7.082 million dan following the elimination of fixed supplies in 1983. Added to cotton used for medical and other purposes, the amount of sales probably is about 10 million tons per year. The long term view shows that the elasticity of demand for cotton for wadding is not great and can only be expanded roughly in correspondence with population growth. There is, however, considerable potential for primary consumption in this area within China at present. The reason is that the cotton for wadding that has been supplied in the markets for decades has been below-grade cotton of very poor quality. The masses' standard of living is rising now and psychologically they have entered a stage of new demands. The problem is that the selling price of cotton for wadding is too low. The old cotton wadding being traded is purchased for a price of around 0.13 yuan per jin, which the masses feel is not economical and will only be "good for future use." There would be no problem in dealing with 10 million dan of old cotton if the selling price was lowered. This would benefit the people and the state would not suffer a loss either because the losses from lower prices would be about the same as the losses from 2 years of overstocks.

B. Expanding Cotton Use in Textiles: The amount of cotton used for textiles has dropped steadily for the past few years, falling by 7 million dan between 1982 and 1984. Arrangements for 1985 are 3 million dan lower than in 1984 alone. This was caused mainly by falling sales of cotton cloth. From 1980 to 1982, sales and consumption of cotton cloth in China averaged 7.46 billion meters each year. The figure dropped to 6.42 billion meters in 1983 and was 6.67 billion meters in 1984. To reduce stores of cotton cloth, only 7.48 billion meters were produced in 1984, a 29-percent drop from the 1982 figure of 10.53 billion meters. Declining consumption of cotton cloth is due mainly to competition from chemical fibers. This trend was accelerated following the increase in prices for cotton cloth and the decrease in prices for chemical fibers in 1983. In 1983, average cotton cloth consumption per capita in China was 17.94 chi, down from the 1980 figure of 21.96 chi. During the same period, consumption of chemical fiber cloth increased from 8.1 chi to 13.05 chi. Moreover, profits from chemical fibers are higher than from cotton textiles, so no one is willing to make cotton textiles. They are especially unwilling to expend effort on colored varieties of cloth. This is one of the important reasons for the decline in cotton consumption over the past 2 years.

The proportion of cotton cloth in textile markets has declined while that of chemical fibers has risen, which is a global trend. Average per capita consumption of all types of cloth in the United States in 1978 was 321.7 meters,

304.3 meters of 94.6 percent of it chemical fiber cloth. Pure cotton cloth accounted for 17.4 meters or 5.4 percent. General laws of consumption indicate that cotton cloth as a proportion of textile produce consumption will continue to decline in China as well. This does not imply, however, that there will be a decline in absolute amounts. Stores of cotton cloth now have reached the marginal level and many cotton textile products in the market have sold out. If we could develop suitable and fashionable denim cloth, corduroy, and other coarse fabrics, poplin, crepe, and other light fabrics, various types of blended fabrics composed mainly of cotton, as well as various types of decorative household goods and so on, and if we made a bit of effort in color design and post-processing, then current mass consumption trends indicate that an additional 10 million dan of cotton for textiles could have plenty of sales outlets, and the production capacity also exists in the processing area. We can consider appropriate reductions in the price of cotton at the mill door and raising mill profits to motivate the initiative of enterprises to improve technologies and increase the variety of colored products.

C. Expand Cotton Exports: The world's cotton trade now amounts to around 80 million dan, including about 32 million dan imported into the Asian region (14 million dan of it to Japan), about 23 million dan imported to Western Europe and about 20 million dan imported to the Soviet Union and Eastern Europe [all figures as published]. Coordination in shipping, ports, materials source arrangements, and other work would make the expansion of cotton exports possible.

IV. Macroeconomic Policies for Controlling Cotton Production

First of all, we should readjust the amount of contractual fixed purchases. Based on the need for balance between production and sales and beginning with 1986 for 3 yearly cotton seasons, we should make appropriate downward adjustments in the amount of fixed purchases. During these readjustments, consideration also should be given to the product quality of the cotton from each area, the distribution and product conversion conditions of the textile industry, and "indiscriminate action" should be avoided. Although the scattered cotton producing regions of Liaoning, Shanxi, Shaanxi, Sichuan, Jiangxi, Gansu and other places have low yields and poor economic results, a certain amount of production should be maintained in the interests of local supplies of raw materials for the textile industry and cotton for wadding. Cotton in Jiangsu and Hubei, two cotton producing provinces of the south, is of rather good quality. A large amount of the cotton in Jiangsu is used for textiles within the province and can be supplied to nearby Shanghai, while Hubei should be responsible for supplying textile and wadding cotton to Yunnan, Guizhou, Hunan, Guangxi and other provinces. This could reduce overstocks somewhat. Cotton output has increased substantially in the three northern cotton producing provinces of Hebei, Shandong and Henan, especially in Shandong. The textile industry in these provinces can only consume about one-eighth and now is in a period of product changeover and substitution, so overstocks can be somewhat larger, but work to breed strains should be strengthened so that the expansion of production can occur primarily in this region.

Second, self-purchases by mills should be included in contractual fixed purchase plans. Contractual fixed purchases for 1985 amount to 85 million dan, which orginally exceeded demand, and the mills have obtained 17 million dan by themselves, which means that there has been little shift in cotton production. Self-purchases by the mills is beneficial for integration of production and processing. Moreover, they reduce state financial subsidies and should be supported and encouraged. They should, however, be included in macroeconomic supply and demand regulation plans with a corresponding reduction in the amount of fixed purchases by the state so that the two parts together do not exceed planned fixed purchases.

Finally, we should reduce and unify cotton purchase prices. Cotton purchase prices were raised three times between 1978 and 1980, by 10 percent in 1978, 15.2 percent in 1979 (with an additional 5 percent subsidy for the north) and again by 10 percent in 1980. In 1979, a policy for higher prices for over-quota purchases was implemented in 1979, as were various types of award sales. The 5-percent subsidy for northern cotton was eliminated in 1984 and fixed proportional prices were implemented, a "normal 4:6" in the south and an "inverse 2:8" in the north. In 1985, northern cotton switched to an "inverse 3:7" while the south maintained its "normal 4:6." The current standard purchase price is 176.42 yuan per dan for northern cotton and 163.30 yuan per dan for southern cotton.

It should be affirmed that the three increases in cotton purchase prices since 1978 were necessary. The reason was that during the period from 1957 to 1977, grain yields grew by 60.5 percent while cotton yields grew by only 47.7 percent, creating an irrational price ratio between grain and cotton. There have been additional new changes in the past few years. Cotton yields rose by 103 percent from 1978 to 1934 while grain rose by only 4.27 percent. The result was the appearance of a new irrationality. Calculations of average figures for China as a whole show that the net income per mu of cotton in 1984 was 179.96 yuan, which was 2.21-fold the figure for paddy rice (94.77 yuan) and 2.52-fold higher than the figure for wheat (41.73 yuan). The average net income per mu was 118.61 yuan, which was 1.88-fold higher than the figure for paddy rice (62.97 yuan) and 4.37-fold higher than the figure for wheat (36.24 yuan) [all figures as published]. A change in this extremely irrational situation in price ratios for grain and cotton is needed to achieve a balance in supply and demand for cotton, and it also is needed for the development of grain production and for a tendency toward rationality in price ratios for all agricultural products.

The formation of price differentials for southern and northern cotton has its historical reasons. Yields were low for northern cotton in the past and a purchase price higher than that used in the south was necessary. In terms of economic results, the cost of materials per mu in 1984 was 6.6 percent (3.12 yuan/mu) higher in Shandong than in Hubei and the amount of labor was 15.5 percent (7 work days/mu) lower than in Hubei. When added together, the production costs per mu in Shandong should be only 0.05 yuan higher than in Hubei. There should, therefore, be appropriate readjustments in the south-north price ratio.

V. Assist Cotton Growers in Making Arrangements To Change Products

Concentration of the economic losses from area readjustments and lower purchase prices in a small number of concentrated cotton producing regions would be quite difficult. Many concrete problems require careful arrangements and the state should provide the needed assistance.

Many comrades have proposed a method of giving subsidies to cotton growers in the north to change products. This would mean using the amount of losses from storage of cotton for 2 years to provide peasants who reduce their cotton with a subsidy of 50 yuan per mu (paid over 3 years). We feel that this is not very feasible. First, state finances would be incapable of paying this amount (because the price of cotton in storage in recent years must be lowered for it to be sold). Second, the work would be difficult (currently, even area statistics are not very accurate and it would be hard to pay the money to every household). Third, it is best if China does not set this sort of example because there are similar problems with other products that cannot be overcome within a few years. Of course, if peasants voluntarily continue to reduce production within the amount of contractual fixed purchases, then this method can be considered.

The economic losses to cotton growers in the north can be compensated for in two ways. The first is to increase the amount of contractual fixed purchases of wheat and corn in these areas and promote a shift to grain production. The second is to provide a certain amount of credit assistance to support the development of township and town enterprises. Most of the cotton land in the north can be converted to one crop of wheat and one crop of corn. The net value of output from two crops of grain is roughly two-thirds that from planting cotton, so it would be possible to compensate for most of the economic losses from reduced planting of cotton. The problem is that the market prices for wheat and corn in these regions generally are lower than the purchase prices, which requires increases in contractual fixed purchases. Generally speaking, China has insufficient wheat at present and the added trend toward continual reductions in southern wheat would make larger plantings of wheat useful.

There still are outlets for the development of township and town enterprises in cotton regions of the north, especially in the northwestern cotton regions of Shandong. An example is the processing of cotton sideline products. Some 98 percent of cotton straw and 95 percent of cotton hulls now are used as fuel. If put through intensive processing, the cotton stalks could be used to produce fiberboard, shaving board, wrapping paper and so on. After pulverizing, it can be used to produce edible and medical fungi, while the post-harvest residue also can be used to raise pigs (it is called "bacterial chaff feed" and produces obvious weight gains when used to raise pigs, with a high rate of lean meat and low costs). Cotton seed husks can be used to produce furfural and edible fungi. Cotton kernal cakes can be changed from direct use as fertilizer to livestock feed that has high nutritional value and good results. Development and utilization of these

cotton sideline products is technically feasible and economically justifiable, and can increase peasant incomes directly and indirectly. All of these things can be developed gradually when the conditions permit and should not be attempted at one fell swoop. In the past, most loans were tied up in cotton and there were no capital forces that could be used. After cotton growing regions make reductions in cotton purchases on the basis of counties, consideration should be given to maintaining credit indices unchanged to assist their development in accordance with actual situations and to maintain sales outlets in rural and urban enterprises.

12539/12624
CSO: 4007/114

PRC EXPERTS MAKE CALL TO SAVE FORESTRY RESOURCES

HK181534 Hong Kong WEN WEI PO in Chinese 16 Feb 86 p 3

["Special dispatch from Guangzhou": "China's Forest Area Is Reduced by 38 Mu Every Minute"]

[Text] According to a local forestry expert, China's forest area has declined by more than 2,000 mu annually, around 38 mu per minute over the past 5 years.

This expert recently attended the Sixth Congress of the China Forest Society. The above figures were disclosed by experts at the congress. The experts unaimously held that there will be an increasing strain on the supply and demand of timber in the next 15 years and China's forestry resources will be confronted with a latent crisis.

In view of this situation, the experts made the following suggestions: First, strengthen management over and protect and sparingly use the existing forestry resources. Second, lay equal stress on expanding the forest area and improving operations and management. Third, reform the production and management system for forestry and readjust the prices of forestry products so as to help develop forestry and extend the area of forestry resources.

It has been reported that China's forestry resources, including forest coverage, timberland area, and trees in reserve, are declining each year.

This expert added that Guangdong's forest area is also declining each year. The authorities concerned should take effective measures immediately to exercise scientific management and protect the forestry resources. As the national tree planting day is approaching, we must seize the opportunity to do the work well.

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CSO: 4007/285

NATIONAL

FORESTRY WORK REFORM PRODUCES INITIAL RESULTS

OW250607 Beijing XINHUA Domestic Service in Chinese 0741 GMT 24 Feb 86

[Excerpts] Beijing, 24 Feb (XINHUA)--According to information released by the Ministry of Forestry, persistent efforts were made in carrying out reforms on China's forestry front during the Sixth 5-Year Plan period, resulting in significant progress in making internal adjustments of the work of this industry, reforming its economic structure, opening lumber markets in collective forest areas, and establishing and improving production responsibility systems of one kind or another. This has greatly aroused the enthusiasm of people of all trades and professions in both urban and rural areas to develop forestry in an effort to make our country green. During this 5-year period, more than 270 million cubic meters of lumber were produced in this country.

Smooth progress was made in carrying out the "three fix" work on forestry, aimed at stablizing the mountain forest ownership, defining the boundaries of private mountains, and establishing the responsibility system. The "three fix" work on forestry was completed in 1,781 counties and some 4.75 million villages in the country. This accounted for 77.5 percent and 82.2 percent respectively of the countries and villages where this work should be done according to the plan. In most of the places where the "three fix" work had been completed, certificates of mountain forestry ownership were issued, thus changing the long-existing state of affairs where the ownership of mountain forests could not be guaranteed, there were no clear boundaries of privately-owned mountain land, and responsibilities were not clearly defined.

The work of defining boundaries of privately-owned mountain land and signing contracts for managing mountains under the responsibility system was by and large completed throughout the country. Some 450 million mu of privately-owned mountain land and some 600 million mu of mountain land designated for management under the responsibility system were allotted to more than 5,000 peasant households. This was more than 90 percent of the total acreage of wasteland on mountains, slopes, and beaches that could be used for afforestation in the country.

Initial success was achieved in reforming state- and collective-owned forest farms. During the 5 years, 2,436 state-owned forest farms were consolidated, accounting for 59.8 percent of the total. Over 90 percent of the state-owned farms in the country were put under the management by prefectures or counties. In general, all state-owned forest farms instituted the contracted responsibility system with remuneration linked to output. Under this system, contracts were signed with small work groups, staff members and workers, or families. In some cases, peasants in the neighborhood of the forestry farm joined together as a contractor. This stirred up the initiative of local authorities to run forest farms and the broad masses of staff members and workers to engage in forestry work. In the meantime, 223,000 collective-owned forest farms in the country were consolidated.

The system of lumber purchases under state monopolies was abolished in collective forest areas. Instead, lumber markets were opened, and purchase and sales were made through negotiations based on a guidance price [2172 1418 0116 2706]. This replaced the previous system of purchasing and marketing lumber and bamboo products under state monopolies, brought into being a market mechanism characterized by fewer intermediate links and a greater number of channels, enlivened the economy of forest areas, and boosted the income of foresty peasants. In 1985, some 22.2 million cubic meters of lumber, or 36 percent of the total in the nation's lumber production plan, came into the open markets.

At present, the reformative measures on the forestry front are being consolidated, digested, supplemented, and improved so as to retain their advantages and eliminate their drawbacks. It can be expected that the economic vitality of forestry work will increase further.

/6662
CSO: 4007/291

NATIONAL

PERCENTAGES OF FOREST COVER REPORTED

Beijing JINGJI RIBAO in Chinese 28 Jan 86 p 2

[Text]

Province	Percent	Province	Percent
Fujian	37	Nei Monggol	11.9
Zhejiang	33.7	Hebei	9
Heilongjiang	33.6	Henan	8.5
Jiangxi	32.8	Beijing	8.1
Hunan	32.5	Shandong	5.9
Jilin	32.2	Shanxi	5.2
Guangdong	27.3	Tibet	5.1
Liaoning	25.1	Gansu	5.9
Yunnan	24.9	Jiangsu	3.2
Guangxi	22	Tianjin	2.6
Shaanxi	21.1	Shanghai	1.3
Hubei	20.5	Ningxia	1
Guizhou	13.1	Xinjiang	0.7
Anhui	13	Qinghai	0.3
Sichuan	12	(Statistics for Taiwan are unavailable)	

CSO: 4007/274

NATIONAL

RENMIN RIBAO ARTICLE ON SILTING OF THE HUANG HE

HK210747 Beijing RENMIN RIBAO in Chinese 13 Feb 86 p 5

[Excerpts from an article published in ZHONGGUO SHUITU BAOCHI by Tang Keli [0781 0344 7787] of the Xibei Water and Soil Conservation Institute of the Chinese Academy of Sciences: "Why Does the Silt in Huang He Not Decrease?"--passages within slantlines published in boldface]

[Text] The prolonged experiments and research of the Huangtu Plateau Water and Soil Conservation experiment centers and institutes, and the experiments of harnessing the river through tackling the problems in its river basins have proved that clear results have been achieved in reducing the silt whether by separate water and soil conservation measures or by comprehensive efforts in tackling the problems in small river basins. The construction of terraced fields can reduce the silt by over 90 percent. While grassland and forest with trees over 6 years old can reduce silt by over 80 percent.

According to relevant records, by 1979, we have taken control of 75,000 square kilometers of land on the Huangtu Plateau, accounting for 17.5 percent of the area that we should put under control. According to our conservative estimate, this can reduce the annual volume of silt in the Huang He by 100-200 million metric tons. The dams and reservoirs that we have built can reduce silt by 500-600 million metric tons a year. Jointly, these two measures can reduce silt by 700 million metric tons a year. However, the annual volume of silt in the Huang He continues to total about 1.6 billion metric tons and has not fallen in spite of many years of effort. What is the reason for this?

There are two factors--the natural and the human--which affect soil erosion. Although the natural is the most fundamental factor that affects soil erosion, it has not played a principal role in worsening soil erosion, because there has not been any clear abnormal changes in it during the past 30 years. Therefore, making clear through investigation the impact of human factors on worsening soil erosion, is the key to tackling the soil erosion problem. According to our initial investigation and study, the following problems exist:

/Destruction has occurred while constructing./

The natural secondary forest on the Huangtu Plateau, which we preserved in the 1950's, has been seriously destroyed. The area of forest in Zhengning and Ning Counties within the Siwu Ling Forest Area has declined by over 2.2 million mu or 42 percent of the original area. During the same period, only 350,000 mu of forest was planted in these two counties. The forest line in the area near Fu County retreats one li a year, which means a reduction of 220,000 mu a year, but only 120,000 mu of forest is planted there a year. In these three counties, the area of reduction has been 400 percent more than that of afforestation. From 1977-1979, 1.8 million mu of land was reclaimed in Yanan Prefecture, but trees and grass were planted on only 600,000 mu of land.

According to our survey, in a typical area in the basin of the Xingzi River, over the past 20 years the area of construction has been 100 to 3,900 percent greater than that of destruction. The farmland on the steep slopes of the valleys in the basin has mostly been reclaimed from grassland or forest over the past 20 years. Soil erosion exceeds 30,000 metric tons per square kilometer and reaches 50,000-60,000 metric tons on newly reclaimed land. The soil erosion caused by this malpractice accounts for 20-30 percent of the total volume of silt in the river. The silt comes from the valleys, but the root cause is unreasonable reclamation. This phenomenon is relatively common in the gully areas of the loess hills. Judging by the location and the ways of soil erosion, turning farmland back into forest and grass land continues to be an effective measure in controlling soil erosion.

/Soil erosion on vast areas of mountain slope farmland has steadily increased./ Proceeding from the needs of developing our basic farmland, we have focused mostly on building terraced and embanked land. Now, we have finished the groundwork to establish over 47 million mu of farm land on the Huangtu Plateau, which only accounts for 0.8 percent of the area of soil erosion. We still cannot control soil erosion on vast areas of hill slope farmland. On the other hand, as reclamation of hill slopes continues to develop, the volume of soil erosion has steadily increased. Moreover, quite a few data show that we fail to estimate sufficiently the serious extent of erosion in shallow gullies and on hill slopes, and fail to adopt vigorous measures to tackle this problem. For example, 90 percent of farmland in the Xingzi He Basin is hill slope farmland. An estimate based on a 1982 survey, shows that soil erosion on hill slope farmland in that area accounts for 60 percent of the total volume of silt. Therefore, neglecting to solve the problems of our vast areas of hill slope farmland, in particular the human factor of irrational reclamation and destruction of vegetation, is the major cause of worsening soil erosion which has offset the effect of our water conservation measures.

The continuous southern expansion of the desert to the north of the Huangtu Plateau, and the expansion of the area that is becoming desert, have also increased the silt in the Huang He, under the influence of wind and water erosion. This is another cause of worsening soil erosion. The exploitation of opencut coal mines and the irrational design and construction of roads and highways, often give rise to new soil erosion. Therefore, in

order to speed up construction on the Huangtu Plateau, and in order to reduce silt in the Huang He, it is imperative to conscientiously implement the principle of "simultaneously paying attention to preventing the emergence of and solving problems; combining solving the problems with the exercising of control; suiting our measures to local conditions; drawing up an all-round plan; solving the problems in a comprehensive manner; removing the evils and developing what is beneficial; and adopting protective measures to prevent new soil erosion while tackling the problems.

/5662
CSO: 4007/291

OFFICIAL ON DEVELOPING SEAFOOD BREEDING

OW181320 Beijing XINHUA in English 1303 GMT 18 Feb 86

[Text] Beijing, February 18 (XINHUA)--New methods for breeding seafood have been contributing to China's food supply, officials of the Ministry of Agriculture, Animal Husbandry and Fisheries said today.

They said China apparently leads the world in techniques for breeding mullet. More than 100,000 fry of the saltwater fish were bred scientifically last year in fresh water.

In addition, officials said, scientific crab breeding in the country's coastal provinces and cities produced 220 million baby crabs last year. This year the harvest is expected to reach 500 tons.

China has four million hectares of water suitable for crab breeding, and for these the scientific methods "are very promising," one official said. The new methods have become particularly important since dam construction and water pollution have cut traditional crab production considerably, according to marine biologists.

Ministry officials also said new breeding techniques have been producing young prawns for traditional breeders in coastal areas since 1982.

This has regularized production and has led to substantial increases in the prawn crop, they said, since breeders no longer have to rely on the sea--with conditions that vary from season to season--for their initial supply of prawns.

Scientists have also succeeded in crossbreeding fish. Two new carp breeds, for example, are now used for fish production in at least 10 provinces and cities.

The new breeds, which reproduce more rapidly than most fish, are used in 67,000 hectares of waters. Officials said they expect continued production increases of 12,500 tons a year from the new breeds.

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CSO: 4020/220

BRIEFS

NEW FORAGE-TYPE WILD GRASS--Beijing, February 13 (XINHUA)--Scientists who conducted a 13-year survey aimed at boosting China's pasturelands have discovered 20 varieties of wild grass which make ideal forage, today's GUANGMING DAILY reported. In all, 200 varieties of wild grass seeds were collected from all over China in the survey, which was launched in 1973 by the Chinese Academy of Agricultural Sciences. Seeds of the 20 varieties which proved to have the best forage value will now be sown in many areas to help extend animal rearing. The scientists travelled from Inner Mongolia and Xinjiang Autonomous Regions in the north to Quizhou Province and Hainan island in the south to study the varieties, distribution and forage value of wild grasses. [Text] [Beijing XINHUA in English 0043 GMT 13 Feb 86 OW] /6662

AGRICULTURAL ENVIRONMENT RESEARCH--Tianjin, 30 Jan (XINHUA)--A research project on the agricultural soil of the natural economic areas in nine provinces and municipalities, and the environmental background impact of pollutants on major grain crops recently passed state examination in Tianjin. Experts say that it was the largest scale research ever conducted in the world on the background value of the agricultural environment. Undertaken by the Environmental Protection Monitor Station affiliated to the Ministry of Agriculture, Animal Husbandry, and Fishery in April 1983, the project involved nine natural agricultural areas in nine provinces and municipalities, including the Beijing area, the lower reaches of the Huang He, the Shandong Peninsula, the Tihu Valley, the Guanzhong Plain, the Sichuan Basin, the Yaanle Shan hilly area, the Turpan Basin, and the yellow soil area in the central and northern parts of Guizhou Province, covering an area totalling 285,800 square kilometers. [Summary] [Beijing Xinhua Domestic Service in Chinese 0735 GMT 30 Jan 86 OW]

AFFORESTATION RESULTS SURPASS TARGETS--Beijing, February 23 (XINHUA)--China succeeded in afforesting about 27 million hectares of land during the Sixth Five-Year Plan period (1981-1985), surpassing the target set in the plan, the Ministry of Forestry reported today. In addition, more than 20,000 million trees have been planted in the past five years at house sides and roadsides. Afforestation results on the plains were especially remarkable. Up to now, the

percentage of forest cover there have increased to 6.1 percent from 1.1 percent in 1949, when the People's Republic of China was founded. The shelter project--green "Great Wall" now extended thousands of kilometers across northern China as over six million hectares of barren land have been planted with trees, grass and bush over the past eight years. More than three million hectares of trees have been planted along 18,000 kilometers of China's coastlines, helping shelter the areas from typhoons. [Text] [Beijing XINHUA in English 1605 GMT 23 Feb 86 OW] /6662

CSO: 4020/229

TRANSPROVINCIAL AFFAIRS

BRIEFS

TAPPING NEW FOOD SOURCES--Beijing, February 13 (XINHUA)--Authorities in northern China plan to use the area's many hot underground springs to produce big new supplies of non-staple foods, today's PEOPLE'S DAILY reported. A recent feasibility study showed there were 500 hot spring wells with an average temperature of 70 degrees centigrade in northern China. Underground hot water can be used to heat greenhouses for winter vegetables, poultry farms and fish ponds, the newspaper said. One hot well in Guan County, Hebei Province, which has already been tapped, has produced 400 tons of fresh vegetables this winter. In Beijing suburbs, 48 hot spring wells have been drilled over the past few years, and the water was used to heat hotels. The use of subterranean springs for heating costs less and needs less equipment than burning fossil fuels, the paper said. [Text] [Beijing XINHUA in English 0855 GMT 13 Feb 86 OW] /6662

CSO: 4020/220

ANHUI

OUTSTANDING RESULTS IN RURAL RESTRUCTURING REPORTED

Hefei ANHUI RIBAO in Chinese 3 Nov 85 pp 1-2

[Commentary: "Outstanding Results in Restructuring Anhui's Rural Production; Steady Grain Yields, Balanced Development in Every Rural Industry"]

[Text] "There have been fairly big changes in the monoculture structure, grain output has been steady, and there is the start of balanced development in farming, forestry, animal husbandry, sideline production, fisheries, and industry, commerce, transport, construction, and service industries." This is the evaluation from responsible persons in the relevant provincial departments on this year's restructuring of rural production in Anhui.

The work of restructuring rural production in Anhui began with the implementation of the output-related contract system after the 3rd Plenum of the 11th CPC Central Committee. After this year's Document No 1 from the central government declared that "vigorously helping the restructuring of rural production" should be regarded as an important economic policy, the broad masses of rural cadres and people are carrying out this work with even greater awareness. As early as the provincial agricultural work conference held at the beginning of the year, the provincial central committee and government arranged the work: "one restructuring" (restructuring production), "two turns" (conversion of grain, transfer of labor), and "three breakthroughs" (innovative development of animal husbandry, aquaculture, and rural township enterprises). Experience has proven that this plan is being implemented quite well; the speed of local restructuring is fast and the scope is large; everywhere grain production has shown itself to be fundamentally stable; cash crops are being rapidly enlarged; there has been thorough growth in animal husbandry and aquaculture; rural township enterprises have continued to develop; and forestry production shows favorable signs of picking up. This year there were 88.27 million mu planted in grain crops in Anhui, about 5 million less than last year, a reduction of approximately 5 percent. Although there were frequent natural disasters this year, with a fairly major effect on crops, due to the increase in intercropping, interplanting, and hybrid rice, as well as the strong emphasis on production-increasing measures, the per-unit yield of some crops was improved, and it is predicted that the total output value will only be somewhat lower than the record-breaking bumper harvest of last year, making this year's harvest the second highest in Anhui's history. There were more than 28 million mu planted in cash crops, almost 9 million mu

more than last year. Except for cotton, which had reduced acreage and output in accord with the national plan, all cash crops were expanded, especially oil-bearing crops, whose acreage and total yield increased more than 50 percent over last year. There were ready markets; for the first time 2,850 tons of rapeseed low in erucic acid were exported. There has also been overall growth in animal husbandry and aquaculture; there has been a 24 percent growth in the number of hogs over the same period of last year, the output of mature fish has grown 34 percent, and the reforestation targets have been exceeded. The output value, profit, and taxes for rural township enterprises have grown at the same rate; by the end of September, the output value had reached 6.5 billion yuan, about double for the same period last year. There has been even more rapid development of enterprises run by households and combined households, almost three times that for the same period last year. It is predicted that by the end of the year the total output value for rural township enterprises will exceed the planned 8 billion yuan. With last year's doubling of output as a foundation, this year output has again been doubled. By the end of August, there were 1.1 million peasants in Anhui who has entered the small towns to work in industry and commerce, and there are 310,000 people who have formally settled there.

The most striking feature of this year's restructuring of rural production in Anhui is the adherence to the spirit of reform promoting restructuring; we have persisted in carrying out the policy of "never neglect grain production, actively develop a diversified economy"; we will always make grain our first priority. Of the 5 million mu of land withdrawn from grain production, most of it has been turned back into forest or lake; a small percentage of fields unsuited to growing have been switched to cash crops, thereby achieving even greater economic results. In general, the restructuring tendencies are appropriate, with the exception of a very few villages with relatively developed rural township enterprises and town suburbs, which have shown signs of neglecting grain production: there has been extensive cultivation, digging up fields for fish ponds, or even land left to ruin. There are increased amounts of the high-quality grain in great demand on the market, and the total output of corn, especially needed by the feed industry, has grown 62 percent over last year. The provincial per capita amount of grain still exceeds the national average; Anhui is one of the key grain producers and key suppliers to other provinces. According to requests from the central government, this year the net amount of grain shipped out of Anhui will be 3.4 billion jin, twice as much as last year; the task has almost been completed. At the same time, there have been fairly large develpments in diversified agriculture and forestry, animal husbandry, and fisheries, breaking with the monculture and traditional concept that prevailed in the past: "agriculture is crop-production, and the crop is grain." It has made a good start in developing socialist agriculture as a whole, and has begun to meet the needs of national development and foreign exports and people's everyday needs.

Another striking feature of the restructuring of Anhui's rural production this year is the great attention paid to the problem of finding work for the surplus rural labor force, opening up many new areas of production and actively expanding commodity production. Anhui has many people and little land there is over abundance of rural labor. Each place has been developing

local industry, commerce, transport, construction, and service industry, so that people leave the soil without leaving the countryside; there are now more than 2 million members of the agricultural work force in Anhui who have turned to nonagricultural occupations. Fuyang Prefecture has stood out in this regard, with the appearance of a number of specialized production communities and also a number of specialized commodity markets which reach nationwide, such as the Chinese medicine market in Boxian Country, the specialized market for clothing in Kandingji in Lixin County, the specialized market for nylon rope centering on Pitiasun in Taihe County and the rabbit-hair market in Funan County. In general the great mass of peasants have a strong awareness of commodity production. By using market mechanisms and improving their ability to develop production according to the needs of society, many peasants who once had "their faces to the soil and their backs to the sky" have appeared on the stage of contemporary society and economy as the commodity producers that they are.

The third feature of this year's restructuring of Anhui's rural production is that leaders at every level are paying great attention to it and scientific and technical workers are actively contributing their ideas, so that the pace of restructuring is quite safe, the achievements have been quite remarkable, and there have not been any major errors. The provincial central committee and government have, for different areas and different categories, strongly emphasized the weak links, given appropriate guidance to different problems, and held in succession special meetings on floodwater storage in areas along the Huai He and on making major distinctions in the restructuring of production in mountainous areas and some of the mountainous areas of sothern Anhui. They will soon also hold a meeting in restructuring production in regions along the Chang Jiang. Leading comrades in the provincial central committee and government have all personally investigated the frontline, having wide-ranging discussions with the peasant masses and scientific and technical workers, studying how to formulate restructuring plan which will suit local conditions. The agricultural and water conservancy societies, interested experts and scholars, and agricultural zoning departments, frequently get together for discussions of the evidence, actively providing restructuring advice to the peasants. The work of restructuring service has made progress over the past; there is an increase supply of improved varieties, numerous new feed mills have been built, and circulation is more lively than before. The amount of watermelons from surrounding counties affiliated with Hefei City increased several times this year over last. Many people were worried before the watermelons reached the market, but the transport and foreign trade organizations did their work quite well for this harvest, and the watermelon growers received quite good benefits. In other words, the pace of this year's restructuring is positive and safe, giving heed to ecological, social, and economic results. Although there were many diasaters this year, it is predicted that the per capita income for peasants will still be several dozen yuan more than last year.

This year is the first year of resturcturing production on a large scale. Because of the lack of experience, there have been shortcomings and mistakes in the work, such as a few places tending to neglect grain production, excessive reduction in soybean acreage, overly rapid increase in bluish

dogbane and jute, poor quality of some farm products, and a continuing shortage of high-quality varieties. Service work is still a glaring weak link; information is neither fast, accurate, nor on time, so that peasants still have a degree of blindness in their production; the channels of circulation are not open, so that shouts from those unable to buy or sell are still very loud; there are also irrational factors in the system and prices; the poor service attitude of some departments also limits the rational restructuring of production. All of these still require better study and improvement.

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ANHUI

GRAIN PRODUCTION EMPHASIZED

Hefei ANHUI RIBAO in Chinese 3 Nov 85 p 3

[Article by Liu Pingsheng [0491 1627 3932]: "Several Suggestions on Emphasizing Grain Production"]

[Text] Since the villages entered into the second stage of reform, Anhui's farming has been restructured to a fairly large extent. In general, the tendency is a good one, without a major effect on total grain output; grain output is steady, every industry is flourishing, and the results are striking. However, during the restructuring we should note the imbalances among different industries and different areas. In terms of grain production, what we need to seriously study now is how to make grain output increase steadily. We should pay attention to the following problems.

1. In regard to grain we should keep a clear head. Without agriculture there is no stablility, but in reality it should be: without grain there is no stability. Agriculture in Anhui has developed quite quickly in the past few years; an important reason for this has been the annual increases in grain production, which have pushed forward the overall development of the rural economy. Last year the total output of grain was 44.05 billion jin, a historical high. Based on the needs of society, Anhui's urban and rural population annually need 28 to 30.6 billion jin of grain rations, 10 to 10.2 billion jin is needed for feed, 2.3 billion jin is used as seed and in industry, and about 3 billion jin is sent elsewhere in China or are exported, but grain is still not abundant, and we must guarantee the steady growth in grain output. Furthermore, in terms of the relationship of grain to other industries, grain is the foundation for development of other industries. A diversified agricultural economy and other industries can only develop when the per capita amount of grain is above 800 jin. The significance of this is that the state of grain production is an overriding question affecting the development of agriculture as a whole.

2. There should be great stabilty and minor adjustment in the acreage planted in grain. This year the grain acreage in Anhui was reduced by more then 5 million mu, a reduction of 5.7 percent. For the province as a whole this is appropriate, but we should note that in the restructuring there are still irrational elements: (1) the extent of reduction is a bit too large in a few places; (2) the reduction in acreage for some grain crops was a little too

much. Faced with this situation, in arranging grain production we must adhere to the principle of great stability and minor adjustment. The area north of the Huai He should stabilize production of grains harvested in summer, the area south of the Huai He should stabilize production of paddy rice; the proportion of wheat and rice in total grain output should be kept steady at more than 80 percent. If we stress these two main crops, Anhui's grain production can basically be kept steady. With this as a premise and following the principles of letting local conditions and different varieties determine local production, the minor adjustment should principally proceed in the following ways: where there are many people and little land, the current grain fields should be kept fairly steady; turning fields back into lakes should be carried out according to plan, in order to avoid digging up fields to make fishponds; in the few areas where the extent of reduction is too large, the acreage should be increased again in the spirit of seeking truth from facts.

3. Continue to adjust the proportions of grain varieties, and work hard at improving per-unit yields and quality. In the mix of grain varieties in Anhui, with a stable foundation of rice and wheat, we should rationally plan production of dryland hybrid grains and feed grains. Currently, we should pay special attention to planning crops that are both good grains and good feed. After reducing the grain acreage, the stability and growth of total output depends primarily on improving per-unit yields; from now on improving per-unit yields should be made a strategic priority. As for varieties, we should continue to improve quality and begin by stressing high-quality grain bases, gradually establishing bases for high-quality rice and high-quality dryland hybrid grains and increasing the proportion of high-quality grain, thus meeting the everyday needs of the people and the needs of export.

4. Further stimulate the peasant's initiative for planting grain and continually increase the inputs into grain production. There are now some places where the peasants have little enthusiasm for planning grain, so they reduce the input into grain fields. The real question is the effect of price factors. Therefore, policy must protect the peasants' enthusiasm for planting grain and encourage them to increase their inputs into farmland. After centralized purchasing and marketing of grain was changed to establishing procurement contracts, the market has come alive. From now on we will face new problems, and will take effective measures to bring some benefits to grain growers. At the same time, material inputs should be stressed as the crucial measure. In particular, grain production technology should be pushed to a new stage of development, allowing peasants to understand the use of advanced technology and lift the level of productive forces.

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METHODS FOR DEVELOPING LEAN SWINE IN ANHUI DESCRIBED

Hefei ANHUI RIBAO in Chinese 14 Nov 85 p 4

[Article by Chen Shikai [7115 0013 0418] and Yao Fengying [1202 7685 5391], assistant researchers, Animal Husbandry Institute, Anhui Academy of Agricultural Science--edited by Chen Ying [7115 5391]: "Major Ways To Develop Lean Swine in Anhui"]

[Text] As living standards continue to increase, people's demand for lean meat has become greater and greater. The tendencies for stagnant sales and a decreasing price for fat meat will continue. Fat meat is even harder to sell in the international market; the price ratio of lean and fat meat has reached 20 to 1 in overseas markets. Commodity swine from Anhui cannot be exported because of their low lean meat ratio. Only some of the meat can be sold, and profits are extremely low. Developing lean swine is therefore urgent.

How can we develop lean commodity swine in Anhui? We believe that selective breeding of local swine must be strengthened and that the advantages of crossbreeding should be utilized and promoted. Why can't we just promote large-sized foreign lean swine in our rural areas? Although these varieties have a high lean meat ratio and grow rapidly, they also have several disadvantages. They require large amounts of feed, consume too much high-quality feed, produce fewer offspring, and are difficult to manage. Our per capita grain level is still very low, and we cannot spare very much to feed swine. Therefore, these swine do not fit present rural feeding conditions and management levels in Anhui. We must select local swine that the farmers are willing to breed because they tolerate low-quality feed, consume less high-quality feed, and are adapted to the local environment. We must crossbreed these swine with foreign lean swine in order to improve the commodity pork ratio and select the best combination for promotion.

All local swine in Anhui are all-purpose varieties and relatively heterogeneous; production shows great variation among individuals. For example, the average lean meat ratio for "Dingyuan" swine is 48 percent, but it can be as high as 55 and as low as 37 percent. Other characteristics show similar variability. This demonstrates that the potential to increase local swine production is relatively great. If we emphasize crossbreeding because of its rapid results and ignore selective breeding of local varieties because of its slow results, swine varieties will become too heterogeneous and degenerate. Crossbreeding will then become impossible. Since the 1950's different domestic and foreign

varieties such as Yorkshire, Berkshire, "Subai," and "Xinjin" have been introduced in Anhui for crossbreeding. This has stimulated local swine production. It is widely believed that local swine can be bred when they reach 70 jin, but crossbred swine must reach about 200 jin. How long can this favorable situation last? Indiscriminate crossbreeding has caused severe heterogeneity in swine varieties and lowered their reproductive capacity. Some local varieties have already disappeared. These mistakes must be remembered and not repeated. Therefore, from the perspective of both current and long-term swine production, we must strengthen the selective breeding of local swine in Anhui and protect the gene pool. How can we protect the local varieties? First, we must establish central swine stud farms in those areas and counties where "Dingyuan," "Yu," "Wannan," "Liubai," and "Wanbei" swine are produced. These farms must receive special subsidies and increased technical guidance because they are responsible for selecting the best animals for breeding. Farms must be established within areas, townships, specialized villages, and specialized households under the county to expand the breeding of improved varieties. Areas can also be established in order to protect the different varieties, and a breeding system for improved varieties can also be gradually established.

Because local swine varieties grow slowly, the general public will be unwilling to breed them at first. First, we must make the general public understand that local sows should be used and that fat swine must be crossbred. Second, the state should provide subsidies for people who breed local swine (both boars and sows) to protect them from economic losses. Eventually, the general public will understand the scientific reasons, and the price for local swine will increase. When the income from breeding local swine becomes sufficient, subsidies will be unnecessary. Swine breeding in the Lake Tai area of Jiangsu Province has developed in this way. All the sows are now "Erhualian" swine, and all fat swine are crossbred varieties. With the aid of scientific feeding, the swine slaughter rate for the entire area is more than 130 percent.

All areas in Anhui Province have performed crossbreeding experiments and obtained pleasing results. For example, when Durocs were crossed with selectively bred "Dingyuan" swine, the lean pork ratio exceeded 56 percent. This ratio exceeds the lean swine standard established by the state. Other crosses averaged 50 percent, an increase of 8 to 12 percent compared to the original lean pork ratio of commodity swine. If we continue to conscientiously breed local swine selectively, take advantage of crossbreeding, and use scientific feeding, production of lean commodity swine in Anhui will develop rapidly.

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LEAN SWINE BREEDING METHODS ANALYZED

Hefei ANHUI RIBAO in Chinese 17 Nov 85 p 2

[Interview with a provincial official by reporters: "Promoting 'Three Principles' Breeding and Developing Lean Swine"; exact date and place not given]

[Text] In the latter part of October a provincial official from the Animal Husbandry Bureau answered reporters questions about developing lean swine under the principle of improving social and economic results.

[Question] In the recent development of lean swine, what means were necessary to obtain better results?

[Answer] Practical experience obtained during the past 10 years has demonstrated that local pigs have several outstanding qualities--tolerance for poor feed, a strong reproductive ability, and good meat quality. When local swine are crossbred with fast-growing foreign lean swine to produce commodity lean swine, the "Three Principles" (i.e., use local sows, use imported improved boars, and crossbreed first generation fat swine) breeding method was used to improve the lean pork ratio and slaughter rate. Because the development of commodity lean swine is suited to both present conditions in Anhui and people's living habits, less money is required, and faster results are obtained.

[Question] What were the main problems encountered during the recent development of lean swine?

[Answer] In recent years swine-breeding units in specialized households in certain areas understood the urgent need for lean pork in domestic and foreign markets and actively developed lean swine. This is a positive factor, but development of lean swine is like any other task. Local conditions and abilities must be considered, and development must proceed step by step according to a plan. Actions which ignore subjective and objective conditions and blindly use large numbers of foreign improved swine for breeding must be avoided. For example, some sectors purchased foreign selectively bred associated varieties of swine for breeding. Some units prepared to breed their own lean swine in Anhui Province, while other swine-breeding specialized households purchased imported lean swine to produce pure-bred swine. On a long-term basis and under certain economic and technical conditions, each of the above

methods of producing lean swine is feasible. These methods, however, require more money, progess slowly, and cannot now be adopted on a large scale in rural areas without causing economic damage and increasing the farmers' burden.

[Question] How is "Three Principles" swine breeding carried out to stimulate the development of lean swine in Anhui?

[Answer] Recent events have shown that comparatively good results are obtained when Anhui "Huai" swine (including "Dingyuan," "Shouhuo" or black, and "Wanbei" swine) are crossbred with "Changbai," "Wannan," "Yu," and Yorkshire swine. Duroc and Hampshire swine have just recently been introduced into Anhui Province. Experimental results indicate that when these two types of swine are crossbred with "Wannan" and "Wanbei" swine, the results are also relatively good. The province should establish major farms to produce standard stud boars by selectively breeding improved swine imported from abroad. Semen from these stud boars will be supplied to artificial insemination stations in all counties for stud service. Stud farms for local swine should be established on a countywide basis to supply stud boars and sows to regional and township swine farms or specialized households, thereby expanding breeding. Improved local sows produced by regional and township swine farms or specialized households will supply sows needed by breeding households for crossbreeding. The county can be used as a unit for swine artificial insemination in order to centralize or partially centralize semen supply. In this way a county with 10,000 sows requires only 10 to 20 improved boars in its main artificial insemination station. To develop lean swine it is most important to satisfy their protein requirement. In general, swine weighing less than 50 kg require 15 to 17.5 percent total protein in their feed, while those weighing 50 to 90 kg require 13 to 14 percent. The total protein content of feed for rural breeding swine in Anhui is now less than 10 percent. To breed good lean swine we need feed with a certain protein content and must consider the feed-processing ability. At the same time, we must apply an "early enriched, later limited" fattening method and slaughter at the appropriate time. In other words, small to medium-sized swine should be fed a high calorie, high protein combined feed so that they will gain weight rapidly. For older swine, either the amount of feed should be limited or its calorie level should be lowered. The appropriate slaughtering weight for swine in Anhui is now 180 to 200 jin in "Wanbei" and 160 to 170 jin in "Wannan."

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RAPID DEVELOPMENT OF SEED-PROCESSING INDUSTRY IN ANHUI

Beijing ZHONGGUO CUNZHEN BAIYE XINXI BAO in Chinese 5 Nov 85 p 3

[Article by Xiao Wang [2556 3769]: "Seed-Processing Industry in Anhui Ranks First in the Nation, and Its Products Are Sold Both at Home and Abroad"]

[Text] The seed-processing industry in Anhui Province has developed quite rapidly in recent years. More than 10 varieties of seeds have been developed, and production has changed from seasonal to year round. In 1984 the amount of seed processed in Anhui was 50 million jin, the value of the processed seed was 70 million yuan, and the profit was 9.5 million yuan. At the present time, seeds from Anhui are sold to 25 provinces, cities, and autonomous regions; foreign buyers include Hong Kong, the United States, Japan, South Korea, etc.

Anhui Province is one of the major national producers of watermelon seed. In 1981 the amount of seed processed in Anhui was 500,000 jin; in 1982, 3 million jin; in 1983, 25 million jin; and in 1984, reached 50 million jin. During the 1985 secondary food competition sponsored by the commerce department, eight types of seed processed in Anhui were judged to be of superior quality and the best in the nation; these included "Xiaoyaojing" brand cream seed, five-spice seed, and delicious sunflower seed, "Yingchun" brand cream seed and five-spice seed, "Fengdan" brand soysauce seed, "Wushangjing" brand cream seed, and "Yuetu" brand five-spice seed.

As rural and urban living standards have risen, people's demand for seeds has also increased, and the market potential is very large. The sales sector in Anhui believes that seeds have both nutritional and medicinal value. From this time forward, seed science and research must be strengthened, and seed-processing techniques must be continually improved. Relevant sciences, such as nutrition, health sciences, physics, and chemistry, should be applied to seed processing in order to continually improve product quality and further expand domestic and foreign markets.

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ANHUI

BRIEFS

RURAL SAVINGS--Last year, rural saving deposits in Anhui were the best since the founding of the People's Republic. As of the end of last year, the total amount was 1.75 billion yuan. Compared with 1952, savings increased more than 4,000 percent; this is more than a 22 percent increase over the period of the First 5-Year Plan. Per capita savings were nearly 40 yuan. [Text] [Hefei ANHUI RIBAO in Chinese 20 Jan 86 p 1]

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GRASSLAND DEVELOPMENT BENEFITS LIVESTOCK INDUSTRY

Beijing RENMIN RIBAO in Chinese 10 Dec 85 p 1

[Article by Zhang Zhusheng [1728 6615 5110]: "Gansu Plants Grass and Trees for 3 Years, Eastern Gansu Begins To See Grass Sprouting, Rich Forests and More Cattle and Sheep--A Large Group of Specialized Households Have Appeared To Raise Seedlings and Nurture Forests and To Plant Grass and To Raise Livestock"]

[Text] Since the start of winter, some cities and towns as well as all rural markets in central Gansu have seen the development of a supply market of several hundreds of thousands of wild rabbits, and some peasants are taking this wild taste into the streets of Lanzhou to sell them. In the past, one saw only loess in eastern Gansu, not grass. Now, the peasants are driving large carts and leading draft animals into the mountains and beaches to cut grass. The people have been pleased by the sight and 3 years of planting grass and trees on an unprecedented scale has begun to improve Gansu's natural environment.

Over the past 3 years, party committees and governments at all levels in Gansu Province have led vast numbers of cadres and the masses in shifting their eyes away from the past situation of focusing only on the 2.7 mu of land per capita to the 34 mu per capita of mountains and water. They are shifting from simple grain production to the planting of grass and trees and the development of animal husbandry. In the last 3 years, Gansu has taken 2.41 million mu of land out of cultivation for reversion to grassland and forests, and the value of output in forestry and animal husbandry as a proportion of agriculture has risen from the 1982 figures of 5.23 percent and 17 percent, to 7.14 percent and 17.4 percent, respectively, in 1984. The balance among agriculture, forestry, and animal is improving. Gansu now has turned over to the masses 19 million mu of the "three types of wasteland" suitable for forests to serve as private hillsides and responsibility hillsides for planting grass and trees. They have stipulated clearly that no changes will occur in the long term and that inheritance and transfer are permitted. The state has provided the necessary assistance in grain and capital to the peasants who are planting grass and trees, with no less than 100 million yuan in capital being used each year for planting grass and trees. The implementation of these policies has given the peasants

ownership rights, rights to benefits, and rights of inheritance over forests and grasslands, and they have gained real benefits.

The policies have motivated the initiative of countless peasant households and the development of grass and tree planting is proceeding on an unprecedented scale year after year. In 1983, Gansu planted 2.26 million mu of grassland and planted 2.19 million mu in trees. Grass planting in 1984 was more than double that in 1983 and tree planting increased by 75.3 percent. From January to October of 1985, 6.09 million mu of land was planted in grass and 3.93 million mu in trees, both of which were substantial increases over 1984. According to investigations for checking and acceptance by relevant departments, the overall survival rate of trees planted has been around 60 percent, and that for grass is even better.

The large-scale planting of grass and trees has brought about an improvement in ecological benefits and a turn for the better in socioeconomic results. Eighteen of the arid counties in central Gansu have planted more than 1 million mu in grass and trees in the past 3 years. Yearly firewood output has been 700 to 800 million jin, which not only has addressed the fuel shortage problem, but also has brought about basic control of damage to vegetation. Huanxian County in eastern Gansu has done aerial seedings of sandy areas to make them flourish. The rainwater arrived in time and growth is luxuriant. In the past, no grass could be seen on the barren hillsides and beaches with sparce vegetation. Now, large carts and oxen are needed to haul the forage grass being cut. In many areas, grassland planting and animal raising have developed together. The number of large draft animals on hand throughout Gansu may reach 4.85 million head in 1985, a 1.2-fold increase over 1982. The total value of output in animal husbandry has grown from the 1982 figure of 558 million yuan to 750 million yuan in 1985, a 34-percent increase. Even more pleasing is that planting grass and trees has put some peasant households on the road to wealth. In the past 3 years, more than 49,000 specialized grass and tree cultivation households and grass planting animal husbandry households have appeared across Gansu Province. Zaojiachuan in Tongwei County is located near the famous Shenjiashan Village. Beginning in 1983, they studied the planting of ormosia grass from Shenjiashan. Income during 1983 was 10,000 yuan, an average of 62 yuan per household. The area planted was expanded in 1984 and the income from grass seed was 25,000 yuan, an average of 154 yuan per household, more than double the amount in 1983. The village has planted 1,693 mu in ormosia grass in 1985. The income from the grass seed alone reached 163,560 yuan, an average of 177 yuan per capita, more than 6-fold greater than in 1984.

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CONCENTRATING ON GRAIN PRODUCTION

Guangzhou GUANGDONG NONGMIN BAO in Chinese 30 Oct 85 p 2

[Article: "Laxity Concerning Grain Problems Cannot Be Permitted--an Economic Analysis"]

[Text] Since the 3rd Plenum of the 11th CPC Central Committee, Guangdong has broken the bounds of "Grain Above All." Guangdong has reformed its agricultural production structure according to local conditions and has obtained overall development of grain production, multichannel management, other industries. As production developed, new situations and problems also appeared. Compared to last year, related sectors had predicted that gross production of grain in Guangdong would decrease this year. Beside the effect of natural disasters, the main reason for this prediction is a large reduction in grain-planting areas caused by improved varieties and diversion of arable land. According to statistics gathered by related sectors, more than 3 million mu of rice-planting area in Guangdong has been converted to cash crops in the past 6 years. This year the area planted in rice has been reduced even further; early rice planting has already been reduced by more than 2.8 million mu.

The grain market is currently quite stable. Statistics gathered from major markets in the later part of September show that rice prices have slightly increased compared to the same period last year, but are 7.5 percent lower than in the same period of 1983. The major reason for this stability is the continuing good harvests in the province and nationwide over the past few years. The amount of stored grain had increased. After application of multichannel management to grain, the grain sectors demonstrated the efffect of the main approach, obtained a large amount of negotiated-priced grain to supply the market, and stablized prices in the grain market.

Even so, laxity cannot be permitted with grain problems. Guangdong has too many people and little arable land. The population of Guangdong is now more than 60 million, but there is only .43 mu of land per capita. As the economy develops, arable land will decrease. Natural disasters are also quite frequent in Guangdong and severly limit grain production. We should also realize that grain purchases and sales are not in balance. It has been estimated that per capita grain consumption in Guangdong is only about 600 jin, 160 jin lower than the national average. Economic development and

population increases have caused a yearly increase in the difference between grain purchases and grain sales in the state. Other ways to use grain, such as for animal feed, financial supplements, and grain exchanges, have also contributed to the large amounts of grain imported from other provinces in the past 10 years. Large grain transfers have increased the burden upon an already overloaded Guangdong transporation, network. This has further hindered the transport of urgently needed materials for our economic development. The inability to rapidly improve transportation, harbor, and loading facilities in Guangdong will prevent unlimited grain importation in the future. Therefore, during further reforms of agricultural production structure we must emphasize Guangdong's attributes and ensure a stable increase in grain. If we concentrate only on the pursuit of economic gain and blindly change grain varieties, economic reform will definately be hindered.

Grain is both an economic and political problem. This is particularly true in Guangdong. Grain production cannot be ignored.

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DECLINE OF PORK PRODUCTION CRITICIZED

Guangzhou GUANGDONG NONGMIN BAO in Chinese 6 Nov 85 p 2

[Article by Li Meng (2621 5492): "If Pork Prices Are No Longer Restrained, Why Does Production Not Increase?]

[Text] After restraints on pork in Guangdong were removed, the amount of pork and the variety of meat products in the market have increased, but development of pork production is still slow. According to a random survey by the food sector in six major production areas, pork production has generally declined. This decline has caused pork supplies in the province to become tighter and together since July. Prices have continually increased; compared to the period before restraints were removed, provincewide purchase and sales prices in September were 27.8 and 26.2 percent higher, respectively. Large and midsized cities and many major production areas have primarily depended upon pork imported from other provinces to maintain market supplies.

The main reason why pork production has not increased is because all areas have lessened their leadership. They believed that there was no need for management after restraints were removed, because pork production would be regulated by the law of supply and demand. Therefore, the existing swine-breeding management structure was removed, and effective measures supporting production were no longer implemented. The leadership and related sectors seldom asked about pork production.

Rural labor changes have also affected the swine-breeding industry to some degree. For example, more than 70,000 people have switched from agriculture to commerce in Taishan County. More than 10,000 people have moved to cities and towns and changed from agricultural to nonagricultural occupations. These people are no longer producing swine. Last year, all 78 households in Lingxi Village, Shuinan Township, Fucheng area, Taishan County, bred swine, and 218 head were produced for market. This year, only 10 households bred swine, and in the last 6 months only 11 head were produced for market.

Prices for piglets and feed are higher this year, the cost of swine production has increased, and profits have declined. These factors have also affected swine production. Investigations have shown that the average production cost for pork was about 140 yuan per dan, an increase of more than 20 yuan compared to last year. Although the current purchase price for pork is as high as 167

yuan per dan, the approximate net income from a swine that yields 150 jin of meat is only 40 yuan.

The decreased number of priority households and specialized households engaged in swine breeding is another major reason why pork production cannot increase. During the last few years, these households prospered in Guangdong Province. Priority and specialized households bred 770,000 head of swine in Foshan and Jiangmen cities, about one-fourth of the cities' total. This year the number of swine produced by these "two households" decreased greatly. There are several major reasons for this decrease. In the past, farmers producing swine signed contracts with the food sector and received feed supplies, funds, and technical support. Pork prices were stable, and farmers were confident about their income from swine production. Now the food sector seldom signs contracts with the farmers, and market prices are unstable. Farmers are uncertain and afraid to produce too much.

Other reasons why pork production has not increased after restraints were removed include the failure to strengthen management, and random, uncoordinated slaughter. Because there are many pork merchants, random slaughter is common. This has not only caused the current widespread shortages of full-grown swine and a tight market supply, but it has also damaged the swine breeders' morale. Many pork merchants practice shortweighing and arbitrary grading/pricing and cheat the general public.

Still another reason why pork production has not increased after restraints were removed is that inadequate disease prevention threatens development of production. Establishment of the swine disease-prevention and health-protection system required several decades, but this system is now only a name without substance in many places. This has had a very adverse effect on the development of the swine-breeding industry.

Pork is a major commodity that is important to the state's planning and people's life. We hope that all related sectors will take practical and effective measures to correct this passive situation where supply does not meet demand so that pork production will develop steadily in Guangdong.

13015/13068
CSO: 4007/160

GUANGDONG

BRIEFS

RURAL DEPOSITS--Last year, Guangdong's rural savings deposits increased rapidly, the rate of increase was unprecedented. The total amount of deposits was more than 9.7 billion yuan, a net increase of more than 2.82 billion yuan since the end of last year, and accounts for 15 percent of rural deposits in agricultural banks nationwide. [Excerpt] [Guangzhou GUANGDONG NONGMIN BAO in Chinese 24 Jan 86 p 1]

CSO: 4007/282

PROVINCE ACCELERATES TREE PLANTING

Rapid Progress Noted

Shijiazhuang HEBEI RIBAO in Chinese 1 Dec 85 p 2

[Article: "Rapid Progress in Tree Planting in Hebei During Fall and Winter"]

[Text] Conditions for tree planting in Hebei this fall and winter showed good moisture content and adequate supplies of seedlings. As of 11 November, tree planting was completed on more than 1.65 million mu. Over 170,000 trees were planted as windbreaks, and over 760,000 mu of trees interspersed with farm fields were planted. Forestation areas totaled more than 590,000 mu. This was the best year among all recent ones.

In most areas, preparations were comprehensive and progress was rapid. Handan Prefecture has 150 million seedling trees prepared, and Aming County planted 10,000 mu of rapid-growth, high-yield forests and 3,000 mu of vineyard lands. Projections for implementation are now complete. Over 1,000 workers are now busy digging holds and planting seedlings and over 1,000 mu have already been planted. After efforts lasting more than 30 days in a row in Zhangjiakou Prefecture, reforestation on 990,000 mu was completed, which along with the more than 2.08 million mu planted in the spring rainy season, was twice the province's yearly quota. After the fall planting had ended, timely efforts were made to form groups to inspect and accept the trees and for forest protection. Pledges for forest protection were signed and specialized forest protection experts were chosen, which bolstered management. Xinglong County gathered 2.34 million yuan for development of orchards, and committed 60 percent of the work force to the project, 670,000 orchard trees already having been planted, 293 mu of orchard nurseries having been set up, and 4,390 mu of orchards having been planted.

The major focus in all areas has been to upgrade the survival rate. Some areas where moisture is low, land has not been prepared, seedlings are feeble, or varieties are low in quality are not being planted. Feixiang County's technical foresters have split up the areas of responsibility by village, signed technical contracts with masses, carried out technical guidance, and focused on quality. Over 200,000 high-quality pawlownia trees in bloom have been planted and 50 roads covering over 300 li have been straightened.

Dongfangzi Village in Guyuan County invited in four technical personnel to help them with plans and design. Depending on local conditions, four types of forest with willows interplanted with citrus, elm, or narrow-leaved oleaster, or as straight willow groves wre designed. Guided by these technicians, the village completed its forestation quota of 3,800 mu while maintaining both quality and quantity.

Commentary Urges Afforestation

Shijiazhuang HEBEI RIBAO in Chinese 1 Dec 85 p 2

[Commentary: "Taking Fall and Winter Reforestation Seriously"]

[Text] Right now is the best time for fall and winter forestation, and many localities have already gotten right down to work. Hebei has been working in this area for many years and has gleaned much experience. This year, rainfall was good and mosture content is right, so the reforestation should go along well.

Hebei's forest resources are meager and the forest cover rate is low. This is not merely a forestry issue, but also affects whether the entire national economy can operate in a beneficial ecological environment and ecological cycle. Thus, it is not just a rural problem but one which affects urban areas and particularly improvements in the capital, Beijing. Moreover, the markets for lumber and fruits are in short supply, and lumbering and fruit picking are activities which can lead to wealth in the long run. Therefore, rapid development of forestry within the makeup of rural industrial readjustment is necessary to bring this long-underemphasized industry into its proper status. This requires exploitation of all favorable seasons and enlistment of the masses to develop tree planting and forestation in a timely fashion. Experience shows that the survival rate for trees planted in the fall and winter is relatively high. Farm work is slow as well. The opportunities thus presented should be exploited.

As forestation has an impact on activities for decades to come, so planning is especially important. Where no planning has been done, it should be conducted scientifically, based upon surveys and study. The planting of the proper varieties for a particular place should be stressed and emphasis placed on adapting to local conditions to make the quality of forests as high as possible.

12303/9435
CSO: 4007/189

HEBEI

BRIEFS

SWINE PRODUCTION INCREASES NOTED--Ever since the procurement price for hogs was relaxed, production and markets in Hebei have been improving. This should continue through the winter and into next spring. Relaxation of the procurement price for hogs was motivated farmer enthusiasm for hog-raising. Hogs on hand in Hebei are up 12.49 percent from the same period last year, with increases in all 18 prefectures and cities except for Langfang, where there was a slight decrease. There have been increases in the number of market channels, which has made purchases more convenient. The volume in non-state-run channels has gone up from 46 percent last year to 62 percent; and collective and individual meat dealers have appeared throughout the province's cities and towns. State commercial food departments have actively participated in market adjustment and been vigorous in organizing procurement and interventions to balance supply and demand. Supplies of hogs on hand in the province's state food companies is up 150,000 head from last year. Plentiful supplies have played an effective role in holding down and stabilizing market prices. Market prices for pork have basically held steady since price reforms were initiated. [Text] [Shijiazhuang HEBEI RIBAO in Chinese 4 Dec 85 p 1] 12303/9435

FOOD PRICE REGULATIONS ISSUED--On 20 November, new regulations for stabilizing prices for this winter and next spring were issued by the provincial pricing bureau, supply and sales cooperatives, and commerce department. The leading price for procurement of hogs this winter and next spring should be held at 0.8 to 0.9 yuan per jin for the province as a whole. The price of boneless, skinless pork in intermediate urban areas should be around 1.5 yuan per jin; but even in tight areas should not exceed 1.6 yuan. Different intermediate urban areas may set out two to six primary types of vegetables, depending on the season, with retail price maximums set. Where state enterprises bring in or send out vegetables, the retail price maximums should be those of the local region. Prices for fruits should depend on the prices at point of origin, with reasonable margins set according to local market price by service and management departments. Arbitrary price increases which may affect the rights of consumers by state, collective, or individual enterprises are forbidden. Guideline prices set by the state must be followed by state, collective, or individual vendors, and those failing to do so will be dealt with accordingly. [Text] [HEBEI RIBAO in Chinese 13 Dec 85 p 1] 12303/9435

MEAT, EGG SUPPLIES-- Based on statistics for the end of December 1985, the number of pigs on hand in cities throughout the province was more than 300,000, more than 40,000 more than the same period last year; the number of eggs was 3.14 million kilograms, an increase of 13.97 percent over the same period last year. Prices for meat and eggs are dropping every day. Prices of eggs in state-run retail stores in Cangzhou, Xingtai, Tangshan, and Qinhuangdao cities have dropped to 1.35 yuan, 1.30 yuan, and 1.25 yuan respectively. [Excerpt] [Shijiazhuang HEBEI RIBAO in Chinese 21 Jan 86 p 1]

CSO: 4007/297

OIL PROCESSING PLANTS INCREASE

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 17 Nov 85 p 3

[Article: "Heilongjiang Transforms Ten Large Oil Processing Plants; Oil Processing Capacity Increases Four-fold"]

[Text] According to a report in ZHONGGUO SHIPIN BAO [CHINA FOOD PRODUCTS REPORT], grain departments in Heilongjiang Province utilized nearly 40 million yuan in short-term bank loans for replacement and transformation of 10 large oil extraction plants throughout the province. As a result, the soybean and oil processing capacity in Heilongjiang has been increased four-fold and the proportion of total oils and fats production accounted for by oils and fats produced using the extraction method has risen from 30 to 50 percent.

Heilongjiang Province is a key production region for soybeans and sunflower seeds in China. Most oil manufacturing plants, however, used the traditional backward pressing method techniques of the 1950's. The rate of oil output was low and results were poor. They could not adapt to the need for development of production and the peasants' enthusiasm for planting soybean and oil crops was hampered. Under the direct solicitude of the government of Heilongjiang Province, the Heilongjiang Province Grain Bureau made comprehensive plans in 1982 and decided to adopt the advanced extraction method technique to carry out technical transformation in 10 city and town oil plants concentrating on soybeans and sunflower seeds.

Work on this project received direct support from local governments and related departments. The Heilongjiang Province Industrial and Commercial Bank gathered capital from all areas and selected the best for loans. The Harbin City Steam Turbine Plant assumed responsibility for the task of manufacturing and installing all of the equipment, while the mayor and head of the county government focused on them directly to guarantee that most of the transformed plans went into construction and operation during 1981.

These 10 extraction plants used their additional profits during 1982 to repay 50 percent of the loans. In 1985, they have sustained good momentum in production. Output and profits are up 1.7-fold and 2-fold, respectively, over levels before the transformation. Each 100 jin of raw materials produces an average of 4 jin of fats and oils. They have increased exports and are providing a large amount of plant protein for development of the food industry.

12539/6662
CSO: 4007/125

AFFORESTATION SUCCESSFUL IN EASTERN HENAN

OW140347 Beijing XINHUA Domestic Service in Chinese 0045 GMT 14 Feb 86

[Excerpts] Zhengzhou, 14 Feb (XINHUA)--In the past the eastern Hunan plain was a vast expanse of arid land with few trees. It is now covered with 460 million stout trees. The 30 million mu of farmland lined with networks of trees and interplanted with trees constitutes the biggest artificially created plain forests in China.

The whole eastern Henan plain appears an ocean of forests. Over 50,000 villages are surrounded by ranks of trees; some 30,000 kilometers of roads are tree belts; over 18,000 kilometers of rivers and canals are lined with willows on both banks; and more than 1 million mu of previously desolate desert are filled with various fruit and timber trees. Even more heartening is that the farmland tree networks and interplanted trees on farmland of the 30 counties (suburbs) on the eastern Henan plain have all been connected to protect more than 32 million mu of farmland.

According to the weather department of Weishi County, in the farmland area under protection of tree networks, the average wind velocity slows down 27 percent, the absolute maximum temperature drops 1.2 degrees centigrade, the relative humidity goes up 4.4 percent, and the frost-free period is extended by about 6 days. Thus hot and dry winds, dust storms, and hail can be basically placed under control.

When Hu Yaobang, general secretary of the CPC Central Committee; Zhao Ziyang, premier of the State Council; and Wan Li, vice premier of the State Council, separately inspected Henan, they all highly praised the afforestation efforts of this region.

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CSO: 4007/291

HUBEI ISSUES CIRCULAR ON SPRING AFFORESTATION WORK

HK080543 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 6 Feb 86

[Excerpts] On 4 February, the provincial People's Government issued a circular on vigorously carrying out the afforestation and greening activities during the spring season.

The circular demands that the principal responsible comrades of governments at all levels personally grasp forestry work and do well in carrying out the afforestation and greening activities this spring in a down-to-earth manner.

The provincial government's circular demands:

1. In afforestation this spring, it is necessary to do well in grasping the focal point, to put the development of economic forests in a conspicuous position, to increase the proportion of economic forests as opposed to the other kinds of forests, and to do well in building the bases of quick-growing and high-yield forests, including those with China fir, foreign pines, and [words indistinct]. While the counties and cities whose areas of undeveloped mountains are large distant border areas, and the mountainous areas, are doing well in manual afforestation, they must really do well in afforestation by planes.

2. It is essential to launch the whole people voluntary afforestation drive and to lay stress on results. Greening committees at all levels must seriously work out good plans and do specific organization work well. Governments at all levels must teach the cadres and the masses to vigorously complete their voluntary afforestation tasks in accordance with the provisions of the law. Regarding those who do not fulfill their obligations for a good reason, the responsibility of leaders concerned must be investigated and affixed. Those who do well in voluntary afforestation must be commended.

3. It is imperative to cultivate saplings in the spring season.

4. It is necessary to strengthen the protection of forests and fire prevention.

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CSO: 4007/270

HUBEI WATER CONSERVANCY, HYDROELECTRICITY CONFERENCE

HK031517 Hubei Provincial Service in Mandarin 1100 GMT 30 Jan 86

[Excerpts] The provincial conference on water conservancy and hydroelectricity management work which concluded in Wuchang yesterday, put forward: The central task of the water conservancy and hydroelectricity work during the Seventh 5-Year Plan period is to strengthen management and to raise economic results. Leading comrades of the Provincial CPC Committee and Provincial Government, including Guo Zhengqian and Zhao Fulin, attended the conference and delivered important speeches.

In his speech, Guo Zhengqian pointed out: Over the past 30-odd years, our province has built a large number of water conservancy and hydroelectricity facilities and initially formed three large antiflood, drainage, and irrigation networks with small facilities as the foundation and with the large and medium-sized ones as backbone facilities. Our province has laid a foundation for electrification in rural areas. However, judging from the situation in current water conservancy facilities, many of them have problems and management is not perfect. Facilities have lacked repairs, equipment has become old, and the situation in man-made damage and sabotage is relatively serious. As a result, the benefit of the existing water conservancy facilities cannot be fully brought into play. Water conservancy management units have not completely ensured that they use income from water to maintain water conservancy facilities. They still rely on the state for subsidies. He stressed: The attention of governments at all levels and of the water conservancy workers must be drawn to these problems. They must take effective measures to solve them.

In his speech, Zhao Fulin pointed out: The key to doing well in managing water conservancy and hydroelectricity facilities lies in further enhancing the understanding of the important strategic role of water conservancy and hydroelectricity facilities in the national economy It is necessary to seriously implement the water conservancy principle of strengthening management and laying stress on economic results, to do well in building the ranks of workers, to strengthen leadership, to strictly enforce all regulations, and to implement all systems.

Zhao Fulin demanded: Water conservancy departments at all levels and construction management units must firmly establish the concept of service, benefit, and management, gradually ensuring that they use income from water to maintain water conservancy facilities, and ensure a benign circle in the water conservancy economy.

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CSO: 4007/270

BRIEFS

PEASANTS NET INCOME INCREASES--According to a sample survey released by the provincial sample surveying team, the per capita net income of the peasants in the province in 1985 was 421.24 yuan, an increase of 7.38 percent over the previous year. The main reasons behind the increased income are as follows: 1) Various localities conscientiously implemented the principles and policies of the CPC Central Committee on readjusting the rural production structure. While ensuring a steady growth in grain production, the production of forestry, animal husbandry, fishery, and sideline occupations was vigorously developed. 2) The secondary and tertiary industries in the rural areas were rapidly developed, thus boosting the peasants' income. According to statistics, the income of the peasants from the secondary and tertiary industries in 1985 was 20.14 yuan more than in the previous year. 3) The level of socialization and commercialization in the countryside was raised, thus opening up more income revenue for the peasants. In 1985, the subsidiary income of the peasants constituted 63.48 percent of their total income. This indicates that the commodity economy has held a dominant position in the rural areas. [Text] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 10 Feb 86 HK]

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CSO: 4007/270

BRIEFS

JIANGSU AGRICULTURAL PRODUCTION--During the Sixth 5-Year Plan, Jiangsu's total agricultural output value, including that of village-run industrial enterprises, reached 140.2 billion yuan, an increase of 70.5 percent over the Fifth 5-Year Plan. In 1985, the average per-capita income of peasants increased by more than 120 percent over 1980. [Excerpts] [Nanjing XINHUA RIBAO in Chinese 26 Jan 86 p 1 OW]

JIANGSU RURAL PRODUCTION--Nanjing, 30 Jan (XINHUA)--According to initial statistical data, Jiangsu Province's total grain output reached 62.3 billion jin in 1985, an average of more than 1,000 jin per person. In addition the province transferred 3 billion jin of commodity grain to other localities last year. It is estimated that the total output value of the province's rural areas was 25 percent higher than the previous year, the total agricultural output value was 17 percent more, and the per capita income of peasants was 11 percent higher. Total output value of the province's industry at township and village level is estimated to reach 36.3 billion yuan, about 60 percent more than the previous year. [Summary] [Beijing Xinhua Domestic Service in Chinese 1203 GMT 30 Jan 86 OW]

JIANGSU FARM MECHANIZATION--Jiangsu's farm mechanization made rapid progress during the Sixth 5-Year Plan. Since 1980, Jiangsu's farming mechanization has grown at an annual rate of 1.5 million horsepower, reaching 22 million horsepower by the end of 1985. The province now has 19,500 tractors and 490,000 hand-operated tractors, ranking first in the nation. Farmland under mechanized tilling and irrigation constitute 71 and 78 percent of the total arable land in the province. [Summary] [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 3 Feb 86 OW] /12913

CSO: 4007/273

BRIEFS

RURAL RESEARCH CENTERS--Beijing, 5 Feb (XINHUA)--Peasant families in the northern part of central China's Jiangxi Province have organized 388 rural technical research centers to provide technical advice as well as poultry for breeding. Some 5,000 families in Yichun Prefecture are members of the centers and benefit from their work, the GUANGMING DAILY reported today. Some of the centers study cultivation of rice, vegetables, and oranges, some concentrate on poultry breeding and others specialize in pottery manufacture or bamboo processing. According to the report, one research center, in Yichun City, found ways to accelerate cultivation of ramie--a plant used to make fabrics--and advised peasants throughout the area of the new techniques. As a result, the town's ramie output increased 10 times and local peasants earned an additional 320,000 yuan (100,000 U.S. dollars). Another center, in Shanggao County, developed a new technique for feeding fish that has helped its members increase their fish output, the paper said. [Text] [Beijing XINHUA in English 0735 GMT 5 Feb 86 OW] /6662

CSO: 4020/229

JILIN

MEETING URGES PREPARATION FOR SPRING PLOWING

SK180658 Changchun Jilin Provincial Service in Mandarin 2200 GMT 17 Feb 86

[Text] On the afternoon of 17 February, the provincial government held a meeting of directors of the relevant provincial-level departments and bureaus, and pointed out that it is necessary to consider the current spring farming preparations as an overriding task of the rural areas and exert utmost efforts to fight a good battle in spring plowing.

Governor Gao Dezhan spoke at the meeting. The meeting held that this is the first year for implementing the Seventh 5-Year Plan and a year of many difficulties caused by the last year's natural disasters. The meeting stressed: This year, we should try all possible means to restore the province's grain production to the level before the natural disasters and enable the grain output to reach 30 billion jin. This task will be more arduous than that of any other years in the past. Fulfilling this is not only a glorious task of our province but also a strong desire of the broad masses of rural cadres and the people. It is also an urgent need of vitalizing the province's rural economy.

While analyzing the province's current rural situation, the meeting pointed out: There are many favorable factors for restoring the province's grain production to the level before the natural disasters. Viewing from the way the people spent the Spring Festival, we can see that despite the serious natural disasters in the province, there are no scenes of adversities in a year of disasters. The rural productive forces basically have not been disrupted, the material foundation for rural production is still fairly strong, and the enthusiasm of the peasants in grain cultivation is fairly great. What is deficient is that the rural policies of some localities have not been implemented by every household, the contract purchasing system has not been instituted among households in the course of selling farm and sideline products, and the production measures have not been implemented by the grassroots levels.

For this reason, the meeting stressed: All localities should make use of the time before spring plowing to organize forces to go deeply to the grassroots levels, to publicize the guidelines of the central documents and the guidelines of the provincial rural work conference among peasants, to conduct

education on grain cultivation in the vast countryside, and to boost the enthusiasm of the broad masses of peasants in grain cultivation. All localities should adopt effective measures to implement the grain contract purchasing system among households, maintain the province's favorable conditions in corn cultivation, and expand the corn sowing acreage. Meanwhile, we should also expand paddyfield and soybean sown acreage.

The meeting also stressed in particular that effort should be made to encourage peasants to buy more chemical fertilizer and to accumulate more farm manure, and to raise the per-unit area yield. As for strengthening leadership over preparations for spring plowing, the provincial government has organized farming preparatory service groups and tried all possible means to render services to the grassroots level. The various provincial-level departments will also organize specialized farming preparatory service groups to go to the grassroots in order to help solve problems.

The meeting called on the various departments to take the initiative in coordinating with one another and to call to account the responsibilities of the principal leaders of some departments who have engaged in endless wrangles and affected the farming preparatory work.

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CSO: 4007/291

BRIEFS

NEI MONGGOL GRAIN PROCESSING--In 1985 Nei Monggol Autonomous Region made marked progress in developing the processing industries of grains and oil-bearing seeds. The region realized 487 million yuan in total output value of the grain processing industries, and more than 42 million yuan in profits, a large increase over the 1984 figure. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 1 Feb 86 SK] /12913

CSO: 4007/273

NINGXIA

CONTRACTED PROCUREMENT FOR AUTUMN GRAIN PROMOTED

Yinchuan NINGXIA RIBAO in Chinese 14 Nov 85 p 1

[Article: "People's Government in the Autonomous Region Has Held a Regional Telephone Conference and Asked All Areas To Strengthen the Purchase of Autumn Grain To Ensure the Completion of Contracted Procurement"]

[Text] During the evening of 12 November, the people's government in the autonomous region held a regional telephone conference. All cities and counties were asked to emphasize the purchase of autumn grain to ensure the completion of this year's contracted grain procurement.

This year the outlook for regional grain production is good. As predicted by related sectors, this is the third good harvest year since 1983. Except for a few cities and counties which had a slight decrease in autumn grain production, all others among the 11 cities, counties, and state-run farms had increased production. According to reports from all areas, the threshing of autumn grain is essentially complete, but grain transfer is very slow. Completion of contracted procurement is unbalanced. Only 45.1 percent of the contracted amount of grain had been purchased and placed in storage by the 10 November deadline; this amounts to 58.7 percent of the lowest target amount established by the autonomous region. The following cities and counties have performed relatively well in the completion of contracted grain procurement--Taole, Shizuichan suburbs, Wuzhong, Yongning, and Lingwu. The leadership in these few cities and countiee had emphasized this task and performed it quickly. First, they identified the storage of autumn grain as the most important current task and motivated the people's government in all townships to stress its timely completion. Those townships that completed their task on time were given an award. Second, they made the village and township cadres responsible for the completion of the task on a level-by-level basis. In practice, the township assigned responsibility to the village, the village to the brigade, and the brigade to farming households. In this way, the responsibility transferred to each individual household, and a relatively good result was obtained. Third, they organized the industrial-commercial grain, tax, and transportation sectors to go to the rural transporting and marketing specialized households and rural trade fairs to publicize contracted grain procurement policy, and to prohibit diversion of grain from the contracted procurement. There are, however, a few cities and counties which have moved slowly and obtained only poor results. They are still processing the

paperwork and issuing proclamations. Workable measures have not been established, public education is still limited, and questions remain in the minds of both the cadres and the general public. Therefore, the progress of grain purchases has been affected.

Leading comrades in the regional people's government pointed out during the telephone conference that contracted grain procurement is an important reform of the grain-purchase policy. Grain is a planned commodity, the amount to be procured is a planned task, and the contract is the legal form for completing the planned task. Therefore, tasks associated with contracted procurement in all cities and counties are planned tasks assigned by the state to all levels of the people's government. Their completion under normal conditions must be guaranteed. Little more than 1 month remains until the end of the year. All levels of the people's government must perform the following tasks well in order to ensure the completion of this year's contracted grain procurement in the region.

1. Strengthen their leadership, seize this opportunity, and motivate the farmers to actively complete contracts for autumn grain procurement. All levels of party committees and people's governments must emphasize that autumn grain purchasing is currently the most important task in rural areas. They must clearly understand their responsibility and that their performance in completing contracted autumn grain procurement will be the main criterion by which cadres at different levels are elevated. During completion of autumn grain procurement, we must strengthen our thought and political efforts. Education about the current situation must be part of the education of the many rural cadres and farmers to establish good thoughts about patriotism and support for the four modernizations. We should also educate them to deal accurately with the mutual interests of the state, community, and individual, to remember your country when the harvest is good, and to continue the good tradition of early and generous grain transfer. Party members, youth members, and cadres must make special efforts to transfer grain to the state in a model fashion and to complete the reformed contracted grain-procurement task for the autonomous region before 20 December.

2. Purchase as much as possible in areas having good harvests. According to the spirit of the state council's announcement and in order to compensate for areas having poor harvests, we must purchase additional grain from areas having good harvests after completion of the contracted procurement. We should begin immediately to openly purchase rice, wheat, corn, and soybeans using the "inverse 30-70" ratio at the prevailing price.

3. Strengthen management of the grain market and control diversion from contracted procurement. In order to ensure early completion of contracted grain procurement, the people's government's in all cities and counties must organize industrial-commercial, grain, tax, and transport sectors. These sectors must closely coordinate their activities and adopt strong measures to prevent grain diversion from contracted procurement.

4. All grain sectors must further improve their working attitude and quality of service. They must do everything possible to make grain transfer

convenient for the farmers. Lower-level workers at grain-storage facilities must stay at their working posts and extend the time for grain receipts. As long as grain meets the quality standards, it must be accepted on the same day. Farmers cannot be asked to take back their grain. In order to accurately implement the state's grain-purchase policy, the grade and price of grain cannot be asked to take back their grain. In order to accurately implement the state's grain-purchase policy, the grain and price of grain cannot be arbitrarily altered.

Table 1. Grain Storage Situation in All Cities and Counties of the Autonomous Region, November 1, 1985 (units: 10,000 jin)

City and County Names	Amount of Storage	Completion of Contracted Procurement (%)	Completion of Lowest Task (%)
Yinchuan suburbs	1,799	45.0	51.4
Yongning County	5,289	62.2	64.5
Helan County	2,476	29.5	50.5
Shizuishan suburbs	1,858	74.3	75.8
Pingluo County	2,690	43.7	72.7
Taole County	635	84.7	97.7
Wuzhong County	2,726	64.9	69.9
Qingtongxia City	4,598	41.8	55.4
Zhongwei County	2,291	35.2	52.1
Zhongning County	1,230	27.3	31.5
Lingwu County	3,197	55.1	57.1
Regional-run farms	2,358	50.2	54.8

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CSO: 4007/160

SHAANXI

BRIEFS

CORN EXPORTS--In 1985, Shaanxi exported 8,400 tons of corn to Japan. This has opened up a new market for corn sales for peasants. [Text] [Xi'an SHAANXI RIBAO in Chinese 15 Jan 86 p 1] /12232

COLD STORAGE PLANTS--During the Sixth 5-Year Plan, Shaanxi built and put into operation seven new cold storage facilities, and increased storage capacity by more than 20,000 tons. The plants which are located in Xi'an, Baoji, Weinan, Xianyang, and other cities have increased meat storage capacity and have alleviated conflicts in market supply and demand. [Text] [Xi'an SHAANXI RIBAO in Chinese 17 Jan 86 p 1] /12232

FOOD EXPORTS--The Shaanxi Grain, Oil, and Foodstuff Import and Export Corporation has continued to raise its ability to meet market needs, has worked hard to develop diversification, and has enthusiastically increased exports. In 1985, it overfulfilled its export task of 12.2 million U.S. dollars; this has been its best year for exports. Grain, oil, and foodstuffs have been sold to 15 countries and regions such as Japan, England, France, West Germany, Australia, Canada, the Soviet Union, Italy, and Sweden. [Text] [Xi'an SHAANXI RIBAO in Chinese 14 Jan 86 p 1] /12232

OUTPUT VALUE, PEASANT INCOME--In 1985, the output value from diversified undertakings in the province was about 71.2 billion yuan, an increase of more than 100 percent over 1980, and an increase of 25 percent over 1984. While ensuring the steady production of grain, all areas have speeded up the development of pigs, and farming and dairy cows. Except for a decrease in the number of lambs, the livestock industry, and aquatic output increased slightly over last year. The output value from pigs, vegetables, cotton and eggs was 100 million yuan. The output value from livestock, poultry, tobacco and 17 other items was 10 million yuan. Originally diversification concentrated on the planting and breeding industries, now it is gradually focusing on industry, commerce, construction, transportation, and the service industry. With the growth of diversified production, the peasants per capita net income in 1985 in Shaanxi may surpass 300 yuan, an increase of 37 yuan over last year. [Text] [Xi'an SHAANXI RIBAO in Chinese 4 Jan 86 p 1]

CSO:4007/278

REDUCTION OF ARABLE LAND MUST BE REVERSED

Severe Problem

Taiyuan SHANXI NONGMIN in Chinese 28 Oct 85 p 1

[Article by reporter Zhang Li [1728 7887]: "If the Bad Trend Which Permits Uncontrolled Usage of Arable Land Is Not Corrected, Severe Consequences Will Ensue; Arable Land in Shanxi Is Disappearing at an Average Rate of More Than 400,000 Mu Annually; From suggestions made by the CPC Central Committee About the State Economy and Social Development in the Seventh 5-Year Plan: We Must Pay Close Attention to Effective Protection and Conservation of Water, Land, Mineral, and Forest Resources and Strictly Control Nonagricultural Usage of Arable Land"]

[Text] On 1 October, we learned from the Shanxi Land Management Bureau that uncontrolled diversion of arable land has been a severe problem in Shanxi during the past 2 years. Arable land has been sharply reduced at an average rate of more than 400,000 mu per year. In 1954, the per capita arable land under cultivation was 4.8 mu; in 1984, the population had increased by 10,815,000, but the arable land had been reduced by 12.53 million mu. Per capita arable land under cultivation had dropped to only 2.2 mu! This bad trend, if left unchecked, will have disastrous consequences.

There are many objective reasons for the sharp reduction in arable land, but the main reasons include: When farmers have built houses for their own use, they have used too much land, many of them exceeding the specified standard. Use of land by township industries is also completely out of control. Viewed subjectively, this has been caused by the failure of our land management.

We understand that quite a few leadership cadres have not been paying attention to this very fundamental state policy, i.e., to value and to logically utilize every inch of land. They think: "There is so much land that to use a little bit will not matter." Some even go further and pretend that they have not seen the state and provincial regulations. They substitute their word and power for the law and can destroy a large piece of arable land with a few words. On the other hand, the land-management structure is incomplete. Many things need to be emphasized, but there is no one to emphasize them; certain things require management, but management ability is lacking.

Commentary

Taiyuan SHANXI NONGMIN in Chinese 28 Oct 85 p 1

[Commentary: "To Think of Our Future Generations"]

[Text] Land is a nonrenewable resource that has no substitute. Its functions for human existence and development go without saying. China has a large population but little arable land, and one of our fundamental state policies is to value and logically use every inch of land.

However, not every comrade yet recognizes the importance of this problem. Arable land in Shanxi Province is being lost at the stunning rate of 400,000 mu per year. This fact is sufficient proof that many comrades, particularly some of the leadership, do not consider their responsibilities to future generations concerning the important matter of soil-resource protection. Building for the economy is necessary, and use of some arable land is also reasonable. This reason should be guided by an overall and long-term outlook. We must never create a disaster for future generations in order to fulfill short-term needs. The leadership of the Central Committee has recently pointed out again that we must focus on and solve this problem. This is quite far-sighted. All leadership levels must stress the need for solving this problem of uncontrolled usage of arable land. Three types of activities should be severely punished according to state and provincial regulations: flagrant disregard for land regulations; leadership's substitution of their words or power for the law and provision of support for the illegal occupation of the land by themselves or others; and waste of land resources. Such waste can involve using land without proper permission, using more land than permitted, using land without waiting for approval to be granted, and occupying more land than one can actually use.

13015/12795
CSO: 4007/155

SHANXI

SHRUB TO REDUCE SOIL EROSION TO BE DEVELOPED

OW111838 Beijing XINHUA in English 1455 GMT 11 Feb 86

[Text] Beijing, February 11 (XINHUA)--Shanxi Province plans to develop a local industry based on the sea buckthorn, a nutritious shrub that can radically reduce soil erosion, in cooperation with the Ministry of Water Resources and Electric Power, according to government officials.

Traditionally, sea buckthorn (hippophae rhamnoides) has been used to feed livestock while its stalk has been cut for firewood.

But recent research shows that the small fruit of the shrub contains vitamin A, B, C and E. For example, 100 grams of the fruit contains 800 milligrams of vitamin C, more than any other fruit.

China has 700,000 hectares of the shrub. About half grows in Shanxi Province in northern China on the loess plateau.

Officials of the Ministry of Water Resources and Electric Power said sea buckthorn's strong root system can help control soil erosion, a headache on the loess plateau which covers part of Shanxi, Shaanxi and Gansu provinces and the Ningxia Hui Autonomous Region.

Experiments in Youyu County in Shanxi Province show the shrub can cut wind erosion by 85 percent and water erosion by three-fourths.

Scientists at the ministry called the achievements a "breakthrough".

Shanxi produces 400,000 tons of sea buckthorn fruit a year. Seven factories have been established to process wine, drinks and medicine with the fruit.

The ministry and the provincial government plan to plant the shrub both for sales and soil erosion control.

/6662
CSO: 4020/220

JINDAN 21 VARIETY DESCRIBED

Taiyuan SHANXI NONGYE KEXUE [SHANXI AGRICULTURAL SCIENCES] in Chinese
20 Dec 85 p 13

[Article by Xu Cuoying [1776 0948 5391] and Wang Guicai [3769 2710 1752] of the Institute of Crop Genetics, Shanxi Provincial Academy of Agricultural Sciences]

[Abstract] This new variety, Jindan 21, is a hybrid cross between the Taibai 80143 inbred line (maternal stock) and the Baiwuming (paternal stock) of the same inbred line; it was bred by the Institute of Crop Genetics, the Shanxi Academy of Agricultural Sciences, in 1979. The corn is white, resembling horse teeth in form. The weight of 1000 grains is about 400 grams. With spring sowing in the Taiyuan area, the crop can be harvested in about 115 days after sprouting. The variety has resistance to black tassels and large spot diseases, with an average yield of 1,035 jin per mu in 1982. The crop can be planted in central and southeastern Shanxi as long as there is a frost-free period of 150 days or longer. Or, it can be planted in alternate rows in wheatfields in southwestern Shanxi such as in Linfen Refecture. Generally, the sowing depth is about 2 cun (2.5 inches), and 2,500 stalks per mu serve as a guide for planting. During growth, soil loosening, weeding and application of follow-up fertilizer are essential to ensure normal crop growth and maturation.

10424/13167
CSO: 4011/16

BRIEFS

EXPANSION OF WHEAT AREA--The area sown in winter wheat has reached 14.9 million mu this year in Shanxi, an increase of nearly 500,000 mu compared to last year. This year's winter wheat planting had the following characteristics: 1) The planting area has increased. The demand for wheat has become greater and greater as the people's living standard has increased. All areas have emphasized wheat cultivation. Compared to last year, the area sown in wheat increased 220,000 mu in Jin City and by 120,000 mu in Changzhi City. 2) The area of stubble has increased. There was a drought this summer, and a portion of the transplanted crops could not be planted. Therefore, the area containing wheat stubble in Shanxi increased to 1.47 million mu this year. 3) Concentration of planting period. The first part of September was very wet, and the muddy land affected the planting of wheat to a certain extent. The later part of September was sunny, and most farmers hurried to plant. Because the daily planting rate exceeded 1 million mu, the planting period was very concentrated in Shanxi. Essentially everything was planted on time. 4) Good soil-moisture levels. Germination rates were high, and the seedlings are strong. This has established a good basis for next year's wheat harvest. [Text] [Taiyuan SHANXI NONGMIN in Chinese 26 Oct 85 p 1] 13015/12795

PEASANT LIVING EXPENSES--Recently, the provinicial rural survey team conducted estimates on peasant living expenses during the Seventh Five-Year Plan. They have concluded that peasant per capita net income will increase at the rate of around 8 percent annually, by 1990 it will be about 570 yuan; per capita living expenses will be about 340 yuan, the annual rate of increase will be about 7 percent. The annual rate of increase for various items will be: 4.5 percent for food, 8.7 percent for clothing, 8.5 percent for daily necessities, 7.5 percent for housing, 3.7 percent for fuel, 17.41 percent for cultural activities and services. The percentage of various expenses will be: food will decrease from 58.1 percent to 54.3 percent; clothing will increase from 13.5 percent to 14.9 percent; daily necessities will increase from 12.8 percent to 14.5 percent; housing will increase from 9.3 percent to 9.8 percent; fuel will decrease from 4.3 percent to 3.4 percent; cultural activities and services will increase from 2.1 percent to 3.1 percent. In 1990 it is hoped that the standard of living for Shanxi's peasants will reach the level of Jiangsu and Zhejiang. [Text] [Taiyuan SHANXI RIBAO in Chinese 23 Jan 86 p 2]

EXPORTS, FOREIGN EXCHANGE--The Shanxi branch of the Cereals, Oils, and Foodstuffs Import and Export Corporation, last year implemented self-management for the first time, and earned 21,020,000 U.S. dollars in foreign exchange from exports. The amount of foreign exchange earned from exports increased 500 percent over 1984. The branch realized the simultaneous growth of export volume and economic results. On this basis, they have accepted the state export plan for this year of 40 million U.S. dollars. Of the key export products, the target for corn is 500,000 tons, in addition they will export frozen rabbit meat, castor oil seeds, alcohol, and sesame. [Excerpt] [Taiyuan SHANXI RIBAO in Chinese 1 Feb 86 p 1]

CSO: 4007/293

SICHUAN

BRIEFS

COTTON PRODUCTION--In 1983, the per mu yield of cotton in Sichuan surpassed 100 jin for the first time. In 1984, the area sown to cotton was 2.43 million mu, a decrease of 1.16 million mu since 1981, the per mu yield was 128 jin, and gross output increased 82.4 percent, the planting of cotton went from a losing proposition to a net income of 117.8 yuan per mu. [Excerpt] [Chengdu SICHUAN RIBAO in Chinese 30 Jan 86 p 2]

CSO: 4007/293

XINJIANG RADIO STRESSES GRAIN CONVERSION

HK180257 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 17 Feb 86

[Station commentary: "Continue To Develop Grain Production and Get a Good Grasp of on-the-spot Conversion of Grain]

[Excerpt] Xinjiang has now achieved self-sufficiency and a surplus in grain. This is a major success achieved as a result of the party and government at all levels seriously implementing the series of rural policies of the CPC Central Committee. It is also one of the major signs that the region's economic situation is good.

Should Xinjiang continue to develop grain production after achieving self-sufficiency and a surplus? This is a question of universal concern. To answer this question, we should take a correct view of the region's grain situation.

Since last year, due to the difficulty in selling grain in some areas, some people hold that we now have too much grain. This is in fact a misunderstanding. The difficulty in selling grain in some areas is not the result of abundance of grain but is due to shortage of grain storage facilities and lack of grain conversion capability. Viewed in light of the various needs in people's daily life and in the region's economic development, Xinjiang has too little grain, not too much. At present there are only 740 jin of grain available per person, lower than the national average and also below the previous highest level achieved in our region. Still less can this level be compared with certain developed countries.

Hence, we say that the region's present self-sufficiency in grain is a low-level self-sufficiency. We must not evaluate too highly our grain production situation or slacken grain production. Otherwise, difficulty in selling grain will turn into difficulty in buying it.

We must also realize that grain production in Xinjiang is unevenly distributed and its structure is irrational. Viewing the region as a whole, we have self-sufficiency in grain, but quite a number of areas are short of grain. As far as the different crops are concerned, we have self-sufficiency and surplus in wheat, but our maize, rice, and miscellaneous grains are insufficient for our needs. This means that at present we can only solve the problem of feeding

the people, and cannot make much grain available for conversion for developing animal husbandry and producing more meat, milk, eggs, and poultry, and thus allowing the people to enjoy a good diet. We need to allow the people to eat well as well as to eat their fill. This is our starting-point in developing grain production. It is also our ultimate goal.

In order to achieve this, we must continue to develop grain production and get a good grasp of grain conversion. Communications lines in Xinjiang are very long, and there is not much possibility of having our grain converted outside the region. We must therefore base our grain production efforts on on-the-spot conversion.

Xinjiang is one of China's major animal husbandry bases, and it has a large area of farmland. Our conditions for grain conversion work are better than in most provinces and regions. Therefore, from this year on, we must regard grain conversion as a focal point in rural work, and get a thoroughly good grasp of it.

/9274
CSO: 4007/285

OVER 20,000 YUNNAN PEOPLE BUILD WATER CONSERVANCY PROJECTS

HK310247 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 16 Jan 86

[Text] As of 10 January, more than 20,000 people in the province were taking part in building water conservancy projects. Thus, there is now a good situation in the construction of water conservancy works, which has been rare in recent years.

The characteristics of the province's water conservancy construction projects in winter last year and spring this year are:

First, the main guiding ideology direction is clear. In 1985, the province experienced serious floods and some water conservancy projects to be done well. Following the provincial work conference on preventing floods and fighting against natural disasters, held in August 1985, the province, as well as various localities, arranged project items and allocated funds and materials. Together with cadres and the masses, they promptly set to work on the projects.

Second, the pace of construction is rapid and the quality is good. In the course of building water conservancy projects, various localities introduced the system of contracted responsibilities on a level basis, thereby quickening the pace of construction. By the end of December 1985, the province had spent over three million working days on the projects, and accomplished work on more than 1.8 million square meters of project sites. It has repaired and put into operation, most of the 7,000-odd damaged water conservancy projects.

/12913
CSO: 4007/273

BRIEFS

ZHEJIANG RURAL ECONOMY--Zhejiang has achieved marked results in readjusting rural production. Per capita income of peasants reached 521.6 yuan last year, up 75 yuan from 1984. Last year's output of rapeseed, hemp, tangerines, and silkworm cocoon was an all-time high. Total grain output in 1985 was 33 billion jin, averaging 835 jin per capita for the entire province. Also, total output of aquatic products topped 20 million dan for the first time last year. Total output value of village and town enterprises reached 24.5 billion yuan last year. [Summary] [Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 8 Feb 86 OW]

ZHEJIANG HOG RAISING--In 1985, Zhejiang raised a total of more than 13 million hogs and produced 1.3 billion jin of pork, or an average 32.5 jin per capita in the province. The province now has 370,000 breeding sows, an increase of 70,000 head over the previous year. [Summary] [Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 5 Feb 86 OW] /12913

CSO: 4007/273

END

convenient for the farmers. Lower-level workers at grain-storage facilities must stay at their working posts and extend the time for grain receipts. As long as grain meets the quality standards, it must be accepted on the same day. Farmers cannot be asked to take back their grain. In order to accurately implement the state's grain-purchase policy, the grade and price of grain cannot be asked to take back their grain. In order to accurately implement the state's grain-purchase policy, the grain and price of grain cannot be arbitrarily altered.

Table 1. Grain Storage Situation in All Cities and Counties of the Autonomous Region, November 1, 1985 (units: 10,000 jin)

City and County Names	Amount of Storage	Completion of Contracted Procurement (%)	Completion of Lowest Task (%)
Yinchuan suburbs	1,799	45.0	51.4
Yongning County	5,289	62.2	64.5
Helan County	2,476	29.5	50.5
Shizuishan suburbs	1,858	74.3	75.8
Pingluo County	2,690	43.7	72.7
Taole County	635	84.7	97.7
Wuzhong County	2,726	64.9	69.9
Qingtongxia City	4,598	41.8	55.4
Zhongwei County	2,291	35.2	52.1
Zhongning County	1,230	27.3	31.5
Lingwu County	3,197	55.1	57.1
Regional-run farms	2,358	50.2	54.8

13105/13068
CSO: 4007/160

BRIEFS

CORN EXPORTS--In 1985, Shaanxi exported 8,400 tons of corn to Japan. This has opened up a new market for corn sales for peasants. [Text] [Xi'an SHAANXI RIBAO in Chinese 15 Jan 86 p 1] /12232

COLD STORAGE PLANTS--During the Sixth 5-Year Plan, Shaanxi built and put into operation seven new cold storage facilities, and increased storage capacity by more than 20,000 tons. The plants which are located in Xi'an, Baoji, Weinan, Xianyang, and other cities have increased meat storage capacity and have alleviated conflicts in market supply and demand. [Text] [Xi'an SHAANXI RIBAO in Chinese 17 Jan 86 p 1] /12232

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CSO:4007/278

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We understand that quite a few leadership cadres have not been paying attention to this very fundamental state policy, i.e., to value and to logically utilize every inch of land. They think: "There is so much land that to use a little bit will not matter." Some even go further and pretend that they have not seen the state and provincial regulations. They substitute their word and power for the law and can destroy a large piece of arable land with a few words. On the other hand, the land-management structure is incomplete. Many things need to be emphasized, but there is no one to emphasize them; certain things require management, but management ability is lacking.

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13015/12795
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/6662
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20 Dec 85 p 13

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10424/13167
CSO: 4011/16

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CSO: 4007/293

SICHUAN

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CSO: 4007/293

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[Excerpt] Xinjiang has now achieved self-sufficiency and a surplus in grain. This is a major success achieved as a result of the party and government at all levels seriously implementing the series of rural policies of the CPC Central Committee. It is also one of the major signs that the region's economic situation is good.

Should Xinjiang continue to develop grain production after achieving self-sufficiency and a surplus? This is a question of universal concern. To answer this question, we should take a correct view of the region's grain situation.

Since last year, due to the difficulty in selling grain in some areas, some people hold that we now have too much grain. This is in fact a misunderstanding. The difficulty in selling grain in some areas is not the result of abundance of grain but is due to shortage of grain storage facilities and lack of grain conversion capability. Viewed in light of the various needs in people's daily life and in the region's economic development, Xinjiang has too little grain, not too much. At present there are only 740 jin of grain available per person, lower than the national average and also below the previous highest level achieved in our region. Still less can this level be compared with certain developed countries.

Hence, we say that the region's present self-sufficiency in grain is a low-level self-sufficiency. We must not evaluate too highly our grain production situation or slacken grain production. Otherwise, difficulty in selling grain will turn into difficulty in buying it.

We must also realize that grain production in Xinjiang is unevenly distributed and its structure is irrational. Viewing the region as a whole, we have self-sufficiency in grain, but quite a number of areas are short of grain. As far as the different crops are concerned, we have self-sufficiency and surplus in wheat, but our maize, rice, and miscellaneous grains are insufficient for our needs. This means that at present we can only solve the problem of feeding

the people, and cannot make much grain available for conversion for developing animal husbandry and producing more meat, milk, eggs, and poultry, and thus allowing the people to enjoy a good diet. We need to allow the people to eat well as well as to eat their fill. This is our starting-point in developing grain production. It is also our ultimate goal.

In order to achieve this, we must continue to develop grain production and get a good grasp of grain conversion. Communications lines in Xinjiang are very long, and there is not much possibility of having our grain converted outside the region. We must therefore base our grain production efforts on on-the-spot conversion.

Xinjiang is one of China's major animal husbandry bases, and it has a large area of farmland. Our conditions for grain conversion work are better than in most provinces and regions. Therefore, from this year on, we must regard grain conversion as a focal point in rural work, and get a thoroughly good grasp of it.

/9274
CSO: 4007/285

OVER 20,000 YUNNAN PEOPLE BUILD WATER CONSERVANCY PROJECTS

HK310247 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 16 Jan 86

[Text] As of 10 January, more than 20,000 people in the province were taking part in building water conservancy projects. Thus, there is now a good situation in the construction of water conservancy works, which has been rare in recent years.

The characteristics of the province's water conservancy construction projects in winter last year and spring this year are:

First, the main guiding ideology direction is clear. In 1985, the province experienced serious floods and some water conservancy projects to be done well. Following the provincial work conference on preventing floods and fighting against natural disasters, held in August 1985, the province, as well as various localities, arranged project items and allocated funds and materials. Together with cadres and the masses, they promptly set to work on the projects.

Second, the pace of construction is rapid and the quality is good. In the course of building water conservancy projects, various localities introduced the system of contracted responsibilities on a level basis, thereby quickening the pace of construction. By the end of December 1985, the province had spent over three million working days on the projects, and accomplished work on more than 1.8 million square meters of project sites. It has repaired and put into operation, most of the 7,000-odd damaged water conservancy projects.

/12913
CSO: 4007/273

ZHEJIANG

BRIEFS

ZHEJIANG RURAL ECONOMY--Zhejiang has achieved marked results in readjusting rural production. Per capita income of peasants reached 521.6 yuan last year, up 75 yuan from 1984. Last year's output of rapeseed, hemp, tangerines, and silkworm cocoon was an all-time high. Total grain output in 1985 was 33 billion jin, averaging 835 jin per capita for the entire province. Also, total output of aquatic products topped 20 million dan for the first time last year. Total output value of village and town enterprises reached 24.5 billion yuan last year. [Summary] [Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 8 Feb 86 OW]

ZHEJIANG HOG RAISING--In 1985, Zhejiang raised a total of more than 13 million hogs and produced 1.3 billion jin of pork, or an average 32.5 jin per capita in the province. The province now has 370,000 breeding sows, an increase of 70,000 head over the previous year. [Summary] [Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 5 Feb 86 OW] /12913

CSO: 4007/273

END

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19 March 1986

China Report

AGRICULTURE

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NATIONAL

HE KANG ON IMPROVING AGRICULTURAL PRODUCTS

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 25 Nov 85 p 3

[Article: "Minister He Kang Suggests that the Quality of Agricultural Products Be Improved and that Famous, Special, Scarce, High-Quality, and New Products Be Developed"]

[Text] At the first national Exhibition of High Quality Food Products and Comparison and Appraisal and Information Exchange Conference, Minister He Kang [0149 1660] of the Ministry of Agriculture, Animal Husbandry and Fishery suggested that improvement of the quality of agricultural products and great efforts to develop famous, special, scarce, high-quality, and new products is one of the most urgent tasks faced by agricultural production in China.

He Kang said that comprehensive and sustained growth has been achieved in all types of agricultural products since the 3d Plenum of the 11th CPC Central Committee. The various production indices stipulated for agriculture in the Sixth 5-Year Plan will be completed or surpassed and the gross value of agricultural output has grown at the unprecedented rate of 10 percent each year. The quality of agricultural products in China is low, however, product variety is limited, and the contradiction between our inability to adapt to the rising standard of living of the Chinese people and expand exports is becoming increasingly acute. For this reason, to meet the requirement of guaranteeing sustained quantities of agricultural products and stable growth, the quality of agricultural products should be raised more quickly and the relationship between quality, results and speed should be handled correctly.

He Kang said that this Comparison and Appraisal and Information Exchange Conference brought together more than 1,500 famous, special, scarce, high-quality and new products and their series of processed products from 28 provinces, autonomous regions and directly administered municipalities across China. Exhibition, comparison, appraisal, and exchange of experiences and techniques for developing high-quality agricultural products have opened up further the relationship between production and sales of these products, and gradually satisfying demand on domestic and foreign markets.

12539/7687
CSO: 4007/124

NATIONAL

SUMMARY OF RURAL ECONOMIC CONDITIONS

Beijing ZHONGGUO CUNZHEN BAIYE XINXI BAO in Chinese 14 Nov 85 p 1

[Article: "A Summary of the Situation in the Rural Economy"]

[Text] 1. Another Good Harvest of Summer Grain

On the basis of 6 successive years of bumper agricultural harvests in China, cropping structures have undergone further readjustment, the area planted to grain and cotton has declined, and the area planted to cash crops has increased. In this new situation, summer grain output in China still surpassed 175 billion jin, and an excellent harvest second only to 1984's was achieved. Predicted output of summer harvested rapeseed is 107 million dan, up by 31.6 percent over1984.

2. Excellent Momentum Has Appeared in Animal Husbandry

China now has over 100 million cattle, horses, mules and donkeys, more than 300 million pigs, and 150 million sheep. Animal husbandry in Nei Monggol has changed from dependence on the heavens in livestock raising to one an established livestock raising base and a new and flourishing situation has begun to appear. During the first half of 1985, a substantial increase in slaughter rates boosted the number of livestock in the region by more than 410,000 over the same period in 1984, and total output value increase 22 percent. Sustained growth in the numbers of large animals, sheep, pigs, rabbits and chickens being raised in Ningxia occurred during the first half of 1985, and there is good momentum in the obvious improvement of economic results. There has been a bumper harvest in animal husbandry production in Qinghai. During the first half of 1985, livestock regions of Qinghai saw the birth of 2.96 million live animals with a survival rate of 84.4 percent, nearly 10 percent higher than during the same period in 1984. The death rate for mature livestock was 2.48 percent, down by 1.14 percent over the same period in 1984, a reduction of 190,000 deaths. Animal husbandry in Gansu has begun to shift from basic agriculture to a commodity type and the inventories of pigs, cattle, sheep, and so on as well as slaughter rates have increased substantially over the same period in 1984. In Jilin, animal husbandry has shifted from restorative growth to developmental growth. All forms of animal husbandry production are developing in the direction of commercialization, specialization and diversification. An excellent momentum of comprehensive growth unseen for many years has appeared in animal husbandry production in

Hubei. Pig production has grown substantially, as has herbivorous livestock production. Poultry raising is developing vigorously and the market for animal products is flourishing.

3. Marine and Freshwater Breeding Are Growing

According to statistics from aquaculture departments, marine and freshwater breeding both have increased output throughout China during the first half of 1985. Total output in aquaculture reached 2.524 million tons, up by 8.3 percent over the same period in 1984. By the end of June, the total breeding area in China had reached 49,740 mu, up by 9 percent over the same period in 1984. Output of freshwater products reached 881,000 tons, up by 29 percent over the same period in 1984. Output in marine breeding also grew and total output reached 195,000 tons, up by 116,000 tons over the same period in 1984.

4. Production and Sales of Farm Machinery Are Flourishing

The total output value in farm machinery from January through June of 1985 was 6.93 billion yuan, equal to 63 percent of the annual plan and up by 37.9 percent over the same period in 1984. Of the 18 primary products, more than 50 percent of the plan has been completed for 11 products. The total value of sales of the nationwide system of farm mechine companies in the first half of 1985 was 4.7 billion yuan, up by 32.9 percent over the same period in 1984, the largest volume of sales in recent years.

5. The Structure of Peasant Cash Incomes Is Changing

According to analysis of data from a sample survey of 57,358 peasant households in 27 of China's provinces, autonomous regions and centrally-administered municipalities by the Central Rural Sample Survey Team of the State Statistics Bureau, the following trends have appeared in peasant incomes and expenditures during the first half of 1985:

The structure of cash incomes has changed. The per capita cash income of rural households during the first half of 1985 was more than 154 yuan, up by 42.9 percent over the same period in 1984. Incomes from secondary and tertiary industries were up by 6.23 percent over the same period in 1984, a rate of growth that exceeded that of primary industries. The peasants received 74.1 percent of their income from secondary and tertiary industries, and the proportions were 9.2 percent and 24.4 percent, respectively. Of the various types of cash received by peasant families from collective administration, the most was received directly from township and town enterprises, up by 54.4 percent over the same period in 1984.

12539/7687
CSO: 4007/128

FREE MARKETS BECOME CHIEF MEAT, VEGETABLE SUPPLIERS

HK280801 Beijing CHINA DAILY in English 28 Feb 86 p 1

[By Nie Lisheng]

[Text] Free markets have replaced state shops to become the chief suppliers of meat and vegetables in China's cities since the Central Governemnt scrapped its monopoly on marketing of agricultural and sideline products.

According to the State Industrial and Commercial Administration, the number of free markets increased by 4,837 to 61,337 in 1985 when total business volume jumped 38 percent to 6.32 million yuan, accounting for 15.65 percent of the country's retail sales.

In all cities except for Beijing and Shanghai, more than half of the meat, poultry, eggs, vegetables and aquatic products consumed were bought at free markets.

In many cities, country traders and urban pedlars dominate the market of non-staple foods, leaving state stores with little business as they have found difficulty in obtaining supplies, Zhang Xingxiang, an official of the administration told CHINA DAILY.

A survey of 36 cities shows that farmers marketed four to six times more vegetables than state-run shops in Tianjin last year, while in Nanjing they sold three times more poultry than state stores.

The same situation was reported in Guangzhou, Harbin and Wuhan, where private sales of beef, mutton and fish exceeded those of state-run shops by four, five and nine times respectively.

However, Zhang said, the prices of goods in free markets jumped sharply last year, causing a wave of consumer complaints and state concern, especially in May and June when prices rocketed by 30 to 40 percent compared with 1984 levels.

But around the end of the year, prices began to drop slightly and gradually stabilized, he added. Compared with the end of 1984, prices levelled off at an average of 17.9 percent higher earlier this year thanks to increased farm production and supply.

As state-run shops had failed to compete with market traders for vegatable and meat supplies at favourable prices, Zhang said, many localities were taking measures to help bring down the rising prices.

Since the last quarter of 1985, six provinces and 10 major cities, including Beijing, Shanghai, Tianjin, Xilan and Wuhan have experimented with price controls by setting price ceilings to prevent tradesmen from profiteering.

Prices are allowed to rise to 10 to 30 percent above the state-fixed prices temporarily on some vegetables and meat when they are in very short supply.

In fact, Zhang said, the long-standing price discrepancies between free markets and state shops had almost disappeared since late last year as farmers have become major traders of their own products.

In Beijing, for instance, free market prices were only 1.2 percent higher on average than state-set prices at the end of 1985, down from 20.6 percent for the same period of 1984, while in Tianjin the figure dropped by 52 percent from 64.9 percent to 12.9 percent.

/12913
CSO: 4020/234

DEVELOPMENT OF AGRICULTURAL EXPORTING URGED

Beijing JINGJI RIBAO in Chinese 7 Dec 85 p 3

[Article by He Kaiyin [0149 7030 5593]: "Exploit the Latent Advantages of China's Agricultural Product Exports"]

[Test] Greater foreign exchange earnings and achievement of an international balance of payments is the key to achievement of the Seventh 5-Year Plan. Fostering the role of agriculture in creating foreign exchange through exports is an issue that should receive attention from all areas.

I. The Latent Advantages of China's Agricultural Product Exports

Industrial production and science and technology in China are not as advanced as in the developed nations. China's export product advantages in recent years have come mainly from agriculture. Coal, petroleum and nonferrous metals are non-renewable resources and there are limits to re-enrichment of their reserves. Agricultural resources, however, are renewable. Under conditions of ecological balance and benevolent cycles, farm products will become increasingly abundant and their role in creating foreign exchange can only become stronger, not weaker. Continual growth in the world's population and reduction in the amount of cultivated land per capita mean that demand for grain will continue to grow, and agriculture, especially grain, will continue to have advantages in export products for a long time to come.

China has been an agricultural nation since ancient times. China's advantageous geographical location and enormous natural conditions, her especially rich organic resources, long history and the industriousness and intellect of the Chinese nation have developed and created large amounts of excellent crop varieties through practice in production. Soybeans, paddy rice and other important grain crops were first produced in China. At the International Exposition in 1973 in Vienna, China was honored as the "soybean nation." For various reasons, especially the 10 years of chaos [Cultural Revolution], China's farm products were almost totally removed from international markets, even to the extent that we were unable to maintain self-sufficiency. It should be noted that there are enormous potential and advantages in the famous and special products that were produced first in China and in our natural conditions and resources. With effort, it is entirely possible that we once again can gain an important position in international markets. Moreover, we also have

an enormous genetic pool, especially in wild soybean resources of various types, that can provide the most valuable parent material for breeders. No other nation is capable of catching up with this. In another area, we also have geographical advantages. I refer to the fact that China's soybeans are the equal to those of the U.S. in quality and that at identical prices, they are willing to buy them from China and will not search far and wide for what lies close at hand.

II. Consider the Social Benefits of Farm Product Exports

Some have said that farm product exports lose money and that foreign trade departments always have had to rely on deficit subsidies from the state. We recently did a study of international market conditions. On the surface, certain exported farm products are not greatly different from international market prices or may even be slightly lower. A more intensive examination shows that the situation is different. Levels of industrial production and science and technology in China are too low. There are large amounts of cheap labor in rural areas and there is a large price scissors between industrial and agricultural products. Comparatively speaking, the prices of industrial products are too high while those of agricultural products are too low in relative terms. The situation in developed nations is exactly the opposite. Because the degree of mechanization and electrification in agricultural production is not as high as in industrial production, labor productivity is much lower. The price of a commodity is determined by its value, which must be assessed according to the amount of socially necessary labor. Labor productivity for farm products is low and they take up more socially necessary labor, so the price is high. Labor productivity for industrial products is high and they take up less socially necessary labor, so the price is low. A comparison of the production situation in China with foreign countries shows that few have higher labor productivity than China while their labor productivity for industrial products is much higher than in China, which creates this sort of distinction: although the price of grain on international markets is not greatly different from the price of grain in China and the use value is about the same, the exchange value is several times or even several tens of times higher than within China. If we carry out intensive processing of farm product exports, we can make further improvements in economic results, increase rural employment and achieve benevolent cycles. It is apparent that the key to developing profits from farm product losses is how we understand this problem and how we seek out new routes.

III. Search for New Routes To Develop Farm Product Exports

Agricultural production attained great vitality after the 3d Plenum of the 11th CPC Central Committee and a situation of "difficulties in selling grain" and "difficulties in selling oil crops" appeared everywhere. This is an excellent opportunity for China to create foreign exchange through farm product exports. Unfortunately, our farm products lack an ability to compete and cannot easily enter international markets. There are no more than two causes for this: the first is system shortcomings and the second is low product quality.

In the area of systems, foreign trade departments are engaged in exporting, but the benefits of foreign exchange income often are embodied in other departments.

Although certain other problems like poor management and administration can be found in foreign trade departments, the overall situation is that loss of money through farm product exports is a normal thing. On the surface, a little money is lost but actually a great deal of money is gained. If import and export systems are managed by foreign trade departments, monetary losses would not occur, and furthermore, the initiative of foreign trade departments to create foreign exchange would be motivated fully.

The poor quality of farm products and their lack of competitive ability actually can be said to be a systemic shortcoming. Grain departments at present are unable to purchase according to product variety and set prices according to quality. Purchases of paddy rice are divided only into long-grained rice, round-grained rice and glutinous rice, while wheat pruchases are divided only into red hull and white hull varieties. For soybeans, corn, sorghum and other crops, there is no concern for product variety and generally no distinction is made between yellow and white, with high and poor quality treated the same. In this way, a better variety is mixed with other varieties and there is a loss of competitive abilities. An example is Anhui's Mingguang [2492 0342] green beans, which have large and full kernals, a sparkling quality and a greenish color like green bamboo or jade. They have a fresh flavor, are rich in nutrition and become soft as soon as the pot boils. They have become a valuable product that is famous throughout the world. Foreign businessmen competed to purchase them at the Guangzhou Trade Fair, but unfortunately we had only samples and could not supply them with the goods. Why? High quality and high output are two contradictory aspects for all crops because especially high quality means that yields are lower than for the normal varieties. Purchasing departments do not care about product varieties and purchase them all according to unified purchase prices. The peasants care nothing about the brightness of their green color and do not plant them if they are dry and crisp. No policy of higher prices for higher quality is followed, so there is no doubt that the farm products have found it difficult to enter international markets. Valuable, rare and famous varieties may even be in danger of dying out in domestic markets.

IV. Make a Concerted Effort To Construct Farm Product Export Base Areas

In searching for the crux of the farm product export problem, we can use the following medicine to cure the problem:

First, join forces in dealing with foreigners and share the benefits. I propose that leading departments engage in coordination work and that horizontal relationships among departments be strengthened to join forces and divide up internal impediments to form a unified joint force in dealing with foreigners. Import and export activities should be managed in a unified manner by foreign trade departments. Higher prices for higher quality should be paid for high quality agricultural and sideline products that meet export criteria. As for certain small amounts of local and special products, foreign trade departments can sign purchase contracts directly with agricultural departments, with the agricultural departments organizing the production of export products and providing rewards to departments that create the most foreign exchange. This would motivate the initiative of all sides and enliven foreign trade as a whole.

Second, build base areas for high quality farm product exports. This is an effective measure for improving product quality and forming forceful products. Counties with suitable conditions for Mingguang green beans, for example, can be selected for construction of base areas. Agricultural production and scientific research departments should be closely coordinated for continual purification and rejuvenation and for selection of even better new varieties. They should select excellent cultivation measures and institute unified purchases by seed companies. After careful selection, they should be turned over to foreign trade departments for export, and the leftover green beans can be used for brewing top shelf Mingguang liquid liquor and as a superior raw material for vermicelli, with comprehensive utilization and multiple increases in value. All areas of China have places with unique high-quality farm and sideline products, and all of these should build export commodity base areas to integrate China's traditional advantages from being engaged in agriculture for thousands of years with new modern technologies, to foster advantages and avoid disadvantages and to produce high-quality farm and sideline products that foreign countries do not have or which have exceptionally high quality. Only in this manner will it be possible to export more, earn more foreign exchange and import more advanced technologies and industrial equipment to accelerate the pace of the four modernizations drive.

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READJUSTMENT OF RURAL ECONOMIC STRUCTURES VIEWED

Beijing JINGJI RIBAO in Chinese 7 Dec 85 p 2

[Article by Zhou Mingfu [0719 2494 3940]: "Good Momentum in Readjustment of Industrial Structures in Rural Areas"]

[Text] All areas of China carried out intensive second-stage rural reforms in 1985 and substantial readjustments have been made in the sectoral structures of industries in rural areas and the internal structures of each type of industry within each sector. Good momentum has appeared in multilayer comprehensive development in rural industries, and structures as a whole are tending toward greater rationality. In agriculture, there have been developments in grain production in the areas of product diversification and quality improvement. There has been an obvious improvement in the proportion of fine grains in the north and substantial increases in the area planted to high quality rice in the south, while there have been rather large increases compared with 1984 in oil crops, sugar, tobacco, jute, ambari , and other cash crops. There have been obvious improvements in the quality of cotton. In the areas of forestry, animal husbandry, sideline production and fishery, the afforested area in 1985 was the best year since the nation was founded, whether in terms of area or of survival rates. Total output of pork, beef and mutton is up by more than 15 percent over 1984. There is vigorous momentum in development of aquacultural breeding, and freshwater breeding is up by more than 20 percent over 1984.

Township and town enterprises have developed substantially. Many townships and villages have taken the route of comprehensive management of agriculture, commerce and industry, and employment problems have been solved for more than 60 million agricultural laborers across China. In total value of output in rural society, non-agricultural activities accounted for more than 40 percent. The development of secondary and tertiary industries in rural areas has led to greater vitality in the rural commodity economy.

At the same time, we also should take note of the fact that many problems, theoretical as well as practical, remain to be solved during readjustment of industrial structures in rural areas.

1. We Must Recognize the Long-Term Nature and Complexity of Readjustment of Industrial Structures in Rural Areas

There has been rather substantial readjustment of industrial structures in rural areas in China in the past few years, but no fundamental changes have occurred in the economic structure in which agriculture predominates, and the level of overall structures remains low. The rural economy is shifting from the self-sufficient and semi-self-sufficient economy to the commodity economy and the peasant masses are adapting gradually to and continually studying an orientation toward markets and engaging in commodity production. Complete arrangement of the relationships between the links of production, exchange, distribution and consumption have not been achieved. In dealing with this situation, leaders at all levels should strengthen macroeconomic management of readjustment of industrial structures in rural areas. There should be frequent study and evaluation of the macroeconomic results of industrial structures in rural areas. In implementation of reforms, there should be further utilization and improvement of the role of economic levers in conjunction with strengthened leadership to encourage and guide the peasants to product according to the needs of state construction. On one hand, all commodity producers and producing units should strengthen their vitality, and on the other hand, there should be stronger macroeconomic control of the rural economy for greater coordination of development of the rural economy and the national economy.

II. Consider the Fundamental Role of Agriculture

We have reversed the past situation of simple agriculture in recent years, but agriculture remains the foundation of the national economy and grain still should be placed in the primary position and given rational arrangements. Some areas now are focusing on industry and commerce while neglecting cropping and breeding. This is a superficial method. We should take note of the richness of resources in each area and the vast scope and enormous potential of cropping and breeding. Development of cropping and breeding is essential for providing a firm foundation for rural processing and service industries. Only then is it possible for the matchup of industrial sectors to conform to the principle of optimization.

III. Provide Guidance for Development of Township and Town Enterprises According to Different Circumstances

China has a vast territory and major variations, so we cannot impose uniformity. The developmental directions of township and town enterprises in different types of regions should be characterized by the industrial structures and products of the local area, and industrial policies should be differentiated as well. On a national scale, they can be divided into four major categories. The first is economically developed regions. These refer mainly to the Chang Jiang and Zhu Jiang deltas, the southern Fujian delta, the two peninsulas in Shandong and eastern Liaoning, and counties in the suburbs of large cities. Township and town enterprises began developing rather early in these areas and are dominated mainly by high-profit machinery, electronics, chemical industry, light industry and textiles. Future emphasis should be shifted to exploitation of potential and transformation within enterprises with a focus on improvement and on development in the direction of specialization and precision to increase exports and foreign exchange earnings and take the road of "trade industry and agriculture."

The second category is regions at the middle level of economic development. This category refers mainly to the comparatively wealthy counties and suburbs of medium and small sized cities in each area. They account for about one-third of the total number of counties in China. Township and town enterprises in these areas only began to develop in the past few years. They are dominated by farm and sideline product processing, construction and construction materials, small scale hydroelectric power, transportation services and other industries, and there also are a few machinery and electrical industries. These regions should combine improvement and development. We should engage in more projects that absorb more labor power and obtain materials locally and reduce the number of enterprises that use large amounts of steel and consume large amounts of energy.

The third category is regions with a weak economic foundation where the peasants only recently have solved their food and clothing problems. The commodity economy is not very developed in these areas and industrial structures are rather simple. Township and town enterprises only have begun to develop and most are small household-run enterprises engaged in preliminary processing of farm and sideline products, coal extraction and mining, brick and title making and so on. The number of enterprises is not small but their scale is. We should provide active assistance and guidance to them and make it possible for them to move out of local markets into national and international markets as production levels rise. The fourth category is economically backward regions where the food and clothing problems have not yet been solved. We should encourage them to be active in developing cropping, breeding, forestry and orchards, and we also should manage and use existing support capital well to set up several small enterprises, household enterprises or combined enterprises that require few investments and provide results quickly, and to develop production, improve living standards and provide material benefits for the masses. The categories outlined above were classified on a national scale. The situation in a particular province or county should be determined by seeking truth from facts and beginning with reality. Otherwise, guidance by categories is empty talk.

In addition, during readjustment of industrial structures, each area should conform to the laws of the commodity economy and focus on market information. Many areas now are concerned with readjustment of industrial structures and focusing on the resource advantages of the local areas while failing to deal with the fact that the products have no commodity advantages once resources are converted into products and failing to make horizontal comparisons. They have an inadequate understanding of market capacity and conditions, and information is neither sensitive nor accurate. We hope that leaders and related departments at all levels will strengthen information collection, analysis and transmission and that good services will be provided. When studying markets, they should be concerned not only with international markets and urban markets but also should pay attention to rural markets. Development of the commodity economy is accompanied by changes in peasant lifestyles and production patterns. Not only will there be abrupt rises in demand for household consumption goods, but the development of township and town enterprises will increase horizontal economic relationships and the market for means of production will grow on a daily basis. China's rural markets have an enormous capacity.

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DEVELOPMENT OF OCEAN FISHERY URGED

Beijing JINGJI RIBAO in Chinese 4 Dec 85 p 2

[Article by Wu Wanfu [0702 8001 1133] and Mei Lianshan [2734 6647 1472] of the Aquaculture Science Academy Fishery Research Institute: "Accelerate the Development of Ocean Fishery"]

[Text] Since the 3d Plenum of the 11th CPC Central Committee, ocean fishery in China has undergone further development and the improvements in marine breeding have been especially rapid. There are, however, major differences compared with the same industry in foreign countries and with other industries in China, and its enormous potential still has not been exploited fully. The rate of development of ocean fishery is very unadapted to socialist construction in China. To accelerate development of ocean fishery in China, there are several issues that deserve adequate attention.

I. Coordinate Many Areas and Join Efforts To Develop Ocean Fishery

Great efforts to develop ocean fishery not only can provide even greater amounts of aquacultural products than at the present time but also can provide raw materials for production in other industries, and it is of substantial political and economic significance in arranging for labor employment, increasing taxes and foreign exchange for the state, and strengthening friendly cooperation between the Chinese people and the people of all nations of the world. This is especially true of development. The nations of the world now gradually are shifting their focus toward the oceans and we likewise should accelerate the establishment of our own ocean development strategy. It is true that ocean fishery has the characteristics of large one-time investments, high costs, and great danger, and that development of ocean fishery is related closely to agriculture, commerce, communications and transportation, finance and administration, economics and trade, foreign exchange and other aspects. This is especially true of ocean fishery in China, which remains rather backward in many areas. For this reason, during the development process, it should receive mutual coordination from many departments and disciplines as well as active assistance in the areas of investments, materials, technology, management and so on.

II. There Should Be a Spirit of Reform and Innovation

To be effective in development and utilization of ocean fishery resources and satisfy the continually growing needs of the people for aquacultural products,

we should strive to reform and renovate so as to open up a new situation in ocean fishery as quickly as possible.

The oceans contain enormous amounts of organisms. In marine breeding, for example, the average output of regular kelp is more than 1,200 kilograms per mu, more than 4,000 kilograms for mussels and more than 2,000 kilograms for scallops. If kelp is raised in the top layer of the water, scallops or mussels in the middle layer and sea cucumbers in the lower layer, this sort of multilayer, three-dimensional breeding would mean that more food could be obtained from the ocean than from on land. China has more than 200 million mu of shallow sea and beaches within a depth contour of 15 meters. If marine breeding is carried out on 100 million mu, and if multilayer three dimensional breeding is carried out on one-tenth, or 10 million mu, the total amount of food that could be produced would be equivalent to that raised on several 100 million mu of land on the continent. Unfortunately, only 4 percent of the surface water or beaches are being used for raising at present, while 96 percent remains barren. We should take note of this enormous potential and awaken to the value of the seas and beaches. Similarly, the pace of reform in offshore fishery, outer ocean fishery, and distant ocean fishery should be accelerated. We not only should utilize our ocean waters that cover so much more area than our own cultivated land but also should partake of the publicly owned deep sea aquatic biological resources of the world and cooperate with other coastal nations for active development of international fishery and joint development of aquacultural resources in their exclusive economic zones.

III. Rationally Develop and Utilize Oceanic Biological Resources

Because each oceanic biological resource has its own natural laws of growth and reproduction, we should respect these natural laws and carry out rational catching and sustained utilization. To manage offshore fishery resources well, we should employ economic, legal or administrative measures to make rational arrangements for the size of catches. At the same time, consideration should be given to protection of the marine environment, and we especially should prevent pollution of the mouths of rivers, bays and near-shore waters caused by development of coastal industry, petroleum exploration and development, and other things. Regions with the proper conditions should adopt artificial releases of fish fry, emplacement of artificial reefs and other measures to improve the environment of fishing grounds, "cultivate the sea and shepherd the oceans," and breed biological resources. In shallow sea and beach breeding and reproduction, we also should achieve a high degree of unification of benevolent ecological and economical cycles to achieve rational utilization.

IV. Be Concerned with Protecting Freshness and Processing, Develop Comprehensive Utilization

We first of all should be concerned with the first line of freshness protection and processing at sea, which is the basis of guarantees for the freshness of aquacultural products and development of comprehensive utilization. This is especially true of outer sea and distant sea fishery, which now is in the process of rapid development. The long shipping distances and long time periods place greater demands on the increased freezing and frozen storage

capacities of fishing flotillas for true establishment of freezing, frozen storage and freezer chain shipping systems from the seas to the land and from production to processing. They should be adapted to the amount of output from fishing and breeding to establish or reinforce aquacultural freezing and frozen storage capabilities in producing regions, sales regions or aquacultural product distribution centers, and we should build up the corresponding frozen storage and low temperature truck teams and shipping flotillas. We also should strive to improve aquacultural product processing and comprehensive utilization capabilities. Ocean fishery should utilize the favorable conditions of coastal cities and towns, especially port cities opened to the outside, to make full use of advantages in famous, special and valuable aquacultural products. We should engage in development of tertiary industries and form two fan-shaped sales networks for foreign countries and for China to achieve true invigoration of aquacultural product circulation.

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CHANGES IN PEASANT INCOME STRUCTURE NOTED

Beijing JINGJI DIAOCHA [ECONOMIC SURVEY] in Chinese No 4, Feb 85 pp 113-116

[Statistics by Tong Nong [4547 6593]: "Changes in the Structure of China's Peasant Income"]

[Text] According to a survey of 30,427 households in 600 counties in 28 provinces, municipalities, and autonomous regions, due to the 1983 comprehensive implementation of the output-related system of contracted responsibility focused primarily upon household management and the continual deregulation of rural economic policies, farm production is booming, diversified operations and commodity production have shown rapid development, farm income has increased rather extensively, and changes have occurred in the makeup of income. Many households are still at rather low income levels, however.

Average Per Capita Income Breaks 300-Yuan Mark

Of the 30,427 households surveyed, average per capita net income in 1983 was 309.77 yuan, up 39.66 yuan or 14.7 percent from the previous year and up 176.2 yuan--or 1.3-fold--from 1978. In the 5 years since the 3d Plenum of the 11th CPC Central Committee, the average annual income increase per capita has been 35.24 yuan, or an 18.3-percent annual increment. Of net income, net income from production (Footnote 1) (Net income from production: Net income from farming, forestry, animal husbandry, sidelines, fisheries, and rural industry, construction, shipping, commerce, and food and beverages) averaged 272.91 yuan, an increase of 35.76 yuan or 15.1 percent over the previous year. Net non-production income (Footnote 2) (Net non-production income: income from collective assets and publicly accumulated funds, income from non-production labor, cash and real assets sent from abroad or brought in, income from state assistance and subsidies, etc.) per capita was 36.86 yuan, up 3.9 yuan or 11.8 percent from the previous year. Percentage of production to total net income was up from 87.8 to 88.1, while non-production net income fell from 12.2 to 11.9 percent.

Primary Features of Peasant Income

1. Further Changes Occurred in the Makeup of Farm Income; Net Income From Household Industries Has Taken the Predominant Position: Total net income per capita

from household operations in 1983 was 245.54 yuan (comprising production income from collective assignments of 133.41 yuan, and from household sidelines of 112.13 yuan.) This was an increase of 57.99 yuan, or 30.9 percent. Income from centralized collective operations was 36.06 yuan, down 22.03 yuan, or 37.9 percent, from the previous year. Other credit income was 28.17 yuan, an increase of 3.7, or 15.1 percent, from the previous year.

Net income from households operations as a percentage of total net income went from 69.4 percent the previous year to 79.3 percent, while the percentage share for income from centralized collective operations fell from 21.5 to 11.6 percent. Income from credit remained stable at 9.1 percent.

2. Rate of Increase in Farm Income from Rural Industry, Construction, Shipping, Commerce, and Food and Beverages Surpassed That from Agriculture: As specialized and priority households and new joint entities develop, a segment of the rural labor force has left the soil without leaving the land to shift to nonfarm sectors. Relevant statistics reveal that the size of this shifted labor force is now approximately 100 million. This is a salient feature of current rural economic developments. Of 1983 net farm income, that portion coming from agriculture (along with forestry, animal husbandry, sidelines, and fishing) was 221.7 yuan per capita--up 18.12 yuan, or 8.9 percent, over the previous year. That portion coming from rural industry, construction, shipping, commerce and food beverages was 51.14 yuan per capita, up 17.64 percent, which was 52.7 percent higher than the previous rate. The proportion of pure income from agriculture fell from 75.4 to 71.6 percent, while that proportion coming from rural industry, construction, shipping, commerce, and food and beverages rose from 12.4 to 16.5 percent. The seven-member household of Cui Zhuo in the 13th brigade of Xiaguan Camp in Qian'an County of Hebei was a disadvantaged household in 1981, with a per capita income of only 72 yuan. In 1982, they opened a snack shop in the collective and from this source alone achieved a per capita income of 296 yuan. In 1983, that figure rose to 887 yuan. The four-member household of Xia Shigen of the third township of Tanshu ridge in Hebei's Wuchang County, utilizing one hand-held tractor, entered service contracts with 21 farm households in their village, from which they achieved pure income per capita of 186 yuan. This one item comprised 42.5 percent of their total net income that year.

3. Production Expenses Fell, and Economic Returns Rose: The household contract linked to the output responsibility system has mobilized farmer enthusiasm to economize in production outlays. The net income from household operations generated by every 100 yuan in expenses reached 303.38 yuan in 1983, up from 277.64 the previous year. This amounted to an increase of 25.74 yuan, or 9.3 percent. The proportion of expenses to gross household operating income fell from 26.5 percent the previous year to 24.8 percent.

4. Commodity Production Developed, and the Supply of Commodities Increased: The 1983 grain commodity rate reached 24.4 percent, while the rates for cash crops, livestock, and aquatic products were all above 50 percent.

1983 Production and Sales Figures for Major Farm and Sideline Products from Household Operations

	Unit	Output	Sales	Sales as Percentage of Output (%)
Grain	jin/person	1,008.78	245.79	24.4
Oils	"	26.33	17.10	64.9
Sugars	"	79.06	63.26	80.0
Tobacco	"	3.14	2.96	86.0
Fruits	"	18.03	12.00	66.6
Pork	"	197.09	147.76	75.0
Mutton	jin/household	10.30	6.74	65.4
Poultry	per household	6.48	3.67	57.1
Eggs	jin/household	33.04	18.25	55.2
Fish	"	9.68	7.65	79.0

The development of rural specialized and priority households has spurred improvements in the rural commodity rate as a whole. Surveys by the Tianjin Bureau of Statistics show that the grain commodity rate for the "two households" is 33.1 percent, which is 17.7 percent higher than the grain commodity rate for the city as a whole. For vegetables, the figures are 94.9 percent, or 30 percent higher; for pork, 88.2 percent, or 38.5 percent higher; and for poultry and eggs 83.1 percent, or 36.1 percent higher.

Because supplies of commodities improved in 1983, the average per capita cash income from sales of farm and sideline products reached 119.11 yuan, an increase of 29.96 yuan, or 33.6 percent. The proportion of this cash income to total cash income (not including income from savings deposits) rose from 48.3 to 55.5 percent.

5. The Number of High-Income Households Continues To Rise While the Number of Low-Income Households Decreases; Regional Discrepancies Shrink: According to the survey, the average per capita net income by groupings showed that households above 500 yuan rose from 6.7 to 11.9 percent; those from 400 to 500 rose from 8.7 to 11.6 percent; those from 300 to 400 rose from 20.8 to 22.9 percent; those from 200 to 300 yuan fell from 37 to 32.9 percent; those from 150 to 200 yuan fell from 16 to 13.1 percent; and those below 150 yuan fell from 10.8 to 7.6 percent.

With this widespread improvement in farm income as a basis, regional discrepancies also continued to shrink. For example, the Shanxi Statistics Bureau surveyed 1,100 central and 430 mountain households which showed an average per capita net income of 237.7 yuan overall--up 18.8 percent from the previous year. Of the hill country farm households, 280 had net per capita income of 293 yuan --up 41.5 percent; 390 of the flatland farm households had average net incomes of 203.1 yuan--up 13.7 percent. The rate of income increase in the mountain and hill country households was higher than that in the flatlands. A Shenyang survey of 300 farm households scattered across four outlying areas of two counties showed that in 1983 the average per capita net income was 540.2 yuan--up 21.5 percent. The average income for the two counties as a whole was 485.19 yuan--up 50.4 percent.

Disadvantaged Households with Low Incomes Still a Considerable Proportion

In 1983, households surveyed which stood below 150 yuan numbered 7.6 percent. Ten provinces and regions with higher proportions included Honan (9.5 percent), Hebei (9.9 percent), Guangxi (10.6 percent), Ningxia (12.1 percent), Shaanxi (12.8 percent), Shanxi (14.5 percent), Nei Monggol (20.4 percent), Qinghai (20.7 percent), Guizhou (22.5 percent), and Gansu (27.7 percent).

Comparing the seacoast to the interior, households in the interior below 150 yuan of net income per capita numbered 10.1 percent of the survey, while the seacoast figure was 3.7 percent. Most disadvantaged low-income households were in peripheral mountain areas. A survey by the Zhejiang Statistics Bureau of 1,020 farm households revealed 83 below the 200-yuan mark. Most were in such remote mountainous and semi-mountainous regions as Yongjia, Pingyang, Xianhu, and Puyun. When comparing these disadvantaged households with affluent ones above 1,000 yuan per capita, the primary causes of poverty are: (1) Numerous household members and burdensome labor responsibilities, with the average household having 5.7 persons for an average of 2.5 per worker. This was 2 persons per worker higher than for the affluent households, where the figure stood at 1.3 persons per worker. (2) Production brigades within which disadvantaged households were situated had no income from township or brigade enterprise, whereas in the case of affluent households, the average income per capita from such enterprises amounted to 164.7 yuan. (3) Little diversification of operations. Income per capita for disadvantaged households engaged in such non-farm production sectors as industry, construction, shipping, commerce, or food and beverages was a mere 19.8 yuan--comprising 16.4 percent of total income. For the affluent households the figure comprised 40.2 percent of the total.

Table 1. Net Farm Income

	Average Income (yuan)		Composition (%)		Comparative Growth 1982-1983	
	1983	1982	1983	1982	Absolute	%
Annual net income	309.77	270.11	100.0	100.0	39.66	14.7
1. Production	272.91	237.15	88.1	87.8	35.76	15.1
(1) Farm	221.77	203.65	71.6	75.4	18.12	8.9
(2) Non-farm	51.14	33.50	16.5	12.4	17.64	52.7
2. Non-production	36.86	32.96	11.9	12.2	3.90	11.8

Table 2. Net Farm Income

	Average Income (yuan)		Composition (%)		Comparative Growth 1982-1983	
	1983	1982	1983	1982	Absolute	%
Annual net income	309.77	270.11	100.0	100.0	39.66	14.7
1. Centralized/ Collective	36.06	58.09	11.6	21.5	-22.03	-37.9
2. Household	245.54	187.55	79.3	69.4	57.99	30.9
3. Other non-credit	28.17	24.47	9.1	9.1	3.70	15.1

Table 3. Net Farm Income

	Average Income (yuan)		Composition (%)		Comparative Growth 1982-1983	
	1983	1982	1983	1982	Absolute	%
Annual net income from:	309.77	270.11	100.0	100.0	39.66	14.7
(I) Collective	169.47	142.84	54.7	52.9	26.63	18.6
1. Centralized Distribution	149.86	126.95	48.4	47.0	22.91	18.0
2. Township Brigade Enterprise	11.92	8.97	3.8	3.3	2.95	32.9
3. Welfare	0.74	0.43	0.2	0.2	0.31	72.1
4. Collective Incentives	1.54	1.43	0.5	0.5	0.11	7.7
5. Miscellaneous	5.41	5.06	1.8	1.9	0.35	6.9
(II) Household	112.13	102.80	36.2	38.0	9.33	9.1
1. Farming/ Forestry	34.88	32.08	11.3	11.9	2.80	8.7
2. Livestock	38.81	35.14	12.5	13.0	3.67	10.4
3. Fishery	0.72	0.43	0.2	0.1	0.29	67.4
4. Cottage Industries	5.71	4.43	1.8	1.6	1.28	28.9
5. Hunting/ Gathering	6.16	8.00	2.0	3.0	-1.84	-23.0
6. Construction/ Shipping/ Production Services	20.01	18.63	6.5	6.9	1.38	7.4
7. Commerce/Food-Beverage Service	3.08	2.52	1.0	0.9	0.56	22.2
8. Miscellaneous	2.76	15.7[sic]	0.9	0.6	1.19	75.8
(III) Miscellaneous Noncredit	28.17	24.47	9.1	9.1	3.70	15.1
1. From abroad	4.62	4.60	1.5	1.7	0.02	0.4
2. Wages	5.89	4.59	1.9	1.7	1.30	28.3
3. State Disbursements	2.61	2.59	0.9	1.0	0.02	0.8
4. Gifts (Relatives/Friends)	6.57	5.53	2.1	2.0	1.04	18.8
5. Sales of Goods	3.77	2.68	1.2	1.0	1.09	40.7
6. Miscellaneous	4.71	4.48	1.5	1.7	0.23	5.1

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ROLE OF SPECIALIZED HOUSEHOLDS IN ECONOMIC GROWTH OUTLINED

Beijing ZHANYEHU JINGYING BAO in Chinese 9 Nov 85 p 5

[Article by Wang Tianjian [3769 1131 0494]: "Role of Specialized Households in Current Rural Economic Growth"]

[Text] According to the unified 1984 standard statistics for rural specialized households reissued by the National Statistics Bureau, in 1984 there were more than 4 million specialized households, 2.3 percent of all rural households. This figure cannot completely reflect the role of specialized households in rural economic growth; below we shall merely clarify several aspects of the situations understood by us:

I. In Order To Provide More Commodities to Society, They Should Become an Important Component Which Cannot Be Ignored in the Rural Economy

Specialized households are those which manage household enterprises targeted at commodity production. In 1984, all the rural specialized households provided society with a total of 8,133,000,000 yuan worth of commodities, including grain, vegetables, meat, eggs, milk, and various rural industrial products, thus enriching urban and rural markets. In their own business activities, specialized households pay attention to integrating their real conditions and enlarging their scale, hoping to attain even better economic results. Business activities on a somewhat larger scale enable them to sell more commodities. In Dalian City, for example, of the more than 90,000 specialized households in the city, in 1984 there were 3,300 households which sold to the state more than 10,000 jin of grain, 4,806 households which sold 10,000 jin of fruit, and 74 households which sold more than 10,000 jin of pork.

Specialized households can provide rather more commodities to society; besides their being on a larger scale than most farm households, another factor is that the production-management activities in which they engage are at a rather high degree of specialization, therefore their costs are lower and the commodity rate is higher. National statistics show that the specialty income in specialized households is 14.87 billion yuan, 75.6 percent of the entire household business income in specialized households. According to comprehensive figures for farming, forestry, animal husbandry, sideline production, and fisheries, specialized households account for 68.5 percent of the commodity rate in these five areas. On the average, the per capita income

from sale of products is 620.4 yuan, 240 percent above the average level for rural households.

In their business activities, in accordance with national regulations specialized households pay taxes and management fees, accumulating some funds for the state. The survey conducted in Fuyang Prefecture in Anhui revealed that there were 16 specialized large households which in 1 year gave the state 500,000 yuan in taxes and fees.

II. Actively Opening Up New Areas of Production Has Promoted Restructuring of Farming and Forestry Production

Specialized households are the best among peasants, actively developing production in a multilevel production structure:

1. In crop production many speicalized households are focusing their time on developing cash crops. Nationwide there are 1.32 million households specializing in crops, with 600,000 grain-crop specialty households and 560,000 cash-crop specialty households, almost a 1:1 ratio. This ratio within specialized households is very much higher than the national rural crop ratio of grain households and cash-crop households. Agriculture in China's countryside is principally of the traditional kind, focusing on crop production. The overwhelming majority of the 800 million peasants labor in the fields. The change in the ratio of grain to cash crops among crop producers is of great significance.

2. In agriculture as a whole, there are even more specialized households beginning to emphasize the search for growth in forestry, animal husbandry, sideline production and fisheries. In Heilongjiang's development and use of the "five barren's" (barren mountains, water channels, beaches, land, and water), crop specialty households have opened 229,298 mu of wasteland, an average of 31 mu per household. Livestock specialty households have opened up and used 275,777 mu of barren grasslands, an average of 277 mu per household. Forestry specialty households have used 454,695 mu of barren mountains for reforestation, an average of 88 mu per household. Fishery specialty households have opened up 84,755 mu of barren bodies of water for raising fish, an average of 32 mu per household. According to statistics, of all specialized households in the nation, 31.09 percent are in crops, 2.51 percent are in forestry, 11.18 percent are in animal husbandry 3.06 percent are in fisheries, and 16.02 percent are in rural industry and sideline production. These figures illustrate that the ratio of the five industries is not the most ideal, but they do show that in the few short years of development of specialized households, in rural production "land, water, and air" production have grown together, the whole situation has developed, it is off to a vibrant start, the speed has been fast, and it is a strong driving force. Propelled by the specialized households and following the division of labor in the areas of agriculture and the deepening degree of labor division in society, forestry, animal husbandry, sideline production, and fisheries in many places are gradually developing from being subordinate to crop cultivation to being industries with the ability for independent existence and achieving results on a considerable scale.

3. Develop rural production on many levels. Development of secondary and tertiary industries in the agricultural economy is one of the striking changes in China's rural production structure. On the one hand, because China has many people and little farmland, there is a surplus of labor; on the other hand, because the rural service industry has always been very weak, it has never come close to meeting the needs of rural economic growth. Therefore, the shift of a portion of the peasantry from the soil of working in industry and commerce benefits the rationalization of the rural production structure. The performance of specialized households in this regard certainly proves that they are the leaders and models in the growth of secondary and tertiary production. Of all the 4,256,000 specialized households, 891,000 households are engaged in secondary production and 1,329,000 households are engaged in tertiary production; the two together account for 52.2 percent of specialized households, exceeding the total number of specialized households engaged in primary production. In addition, the labor input and income also exceed those of specialized households engaged in primary production. Furthermore, the restructuring of rural production has caused the specialized production in some areas to reveal a tendency toward regional specialization, with the appearance of many specialized villages and specialized small towns. The further growth of specialized small towns is driving forward the formation in the countryside of specialized production and marketing commodity markets. Markets can accommodate large volumes of agricultural products and byproducts, assembling and distributing various production materials and raw materials and attracting from near and far city and country people who exchange local information. As agriculture, industry, and commerce become one entity and supply, production, and marketing became one system, an organically integrated economic network is formed, displaying the prospects for growth awaiting the rural production forces, which are bursting with vitality.

III. There Is Profound Sociological Significance

The restructuring of rural production calls for corresponding changes in the peasants' knowledge structure; in the course of developing the rural economy, specialized households have themselves developed. This is just as true in the growth of the five industries in agriculture as a whole, where a larger number of specialized households have engaged in feed, food products, processing, weaving and embroidery, operating boats and vehicles, building, commerce, food and drink, and service. They have many modern factors working for them that traditional peasants lack, and so it is entirely correct to call them a new kind of peasant. In order to achieve higher labor productivity and economic results, they have arduously studied the technology and knowledge that they so urgently need. They study for practical purposes, and are always very willing to accept new technology and exchange new experiences. Wen Jiayu [5113 1367 3768] of Pingyang Township, Jidong County, Heilongjiang Province, is in a household specializing in production of edible fungi. In order to run his business well, he seriously studied specialized works, paying out of his own pocket to attend academic conferences in Beijing. He spent large sums enlarging a 140-square-meter workplace, installing a biological microscope, a high-pressure bacteria-killing device, a constant-temperature chamber, a refrigerator, and other devices. He has successfully produced three grades of black mu'er spores, and such fungi as pinggu [1627 5466] and huagu [3323 5466]. He has published four papers, received the second degree provincial

award for outstanding scientific research, and has been recruited as a member of the provincial edible fungus society.

In addition, many specialized households, who are themselves scientific and technical models, enthusiastically spread their successful practices and technical methods among the masses surrounding them; this both popularizes science and technology, enabling others to find the road to prosperity, and brings about changes in the backward production and management methods followed for many years. In Wanbao Township, Angu County, Jilin Province, Sun Xiquan [1327 1585 0356] has been successful the past 2 years in growing ginseng, with a net income of 67,000 yen. He actively shares ginseng-growing technology with his fellow villagers, clearing out his house to hold 12-session technical classes, enabling most of the villagers to understand ginseng-growing technology. This village has also developed into a ginseng specialty village.

Of course, there are currently some problems in the growth of specialized households, such as imbalance in regional development, uneven development of various industries, slow exchange of information, and backward technology; concerned parties should pay great attention to these. The CPC Central Committee has stated in regard to the Seventh 5-Year Plan that we should "further restructure rural production and gradually make the agricultural economy more specialized, commodity-oriented and modernized, thus better satisfying the needs of society." Experience has proven that, in rural economic growth, continuing to support and develop specialized households is an important link in accelerating the pace of rural development and realizing the relevant goals from the Central Committee.

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SECOND PHASE OF NORTHERN GREENING TO BEGIN

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[Text] Yinchuan, 4 March (XINHUA)--A massive drive will begin later this year to build tne second phase of the green "great wall" in Northern China in a bid to further control soil erosion and halt desert encroachment there.

Li Jianshu, director of the bureau in charge of the shelterbelt construction, said today that this phase, to be completed in ten years, will involve the afforestation of 6.3 million hectares of 466 counties in 11 provinces, autonomous regions and Beijing municipality.

With the first phase completed last year, the green wall now extends 7,000 km from Hielongjiang province in Northeast China, traverses the loess highlands, skirts the deserts and plateau of Qinghai province, and ends in the Xinjiang Uygur Autonomous Region.

Trees and bushes have been planted on 6.05 million hectares of barren land in 396 counties since the shelter forest project started in 1978. As a result, one third, or eight million hectares, of the farmland in the area is now protected by shelterbelts, which yield an annual return worth 1.2 billion yuan.

"As the first step, we'll plant trees and bushes on 3.33 million hectares during the Seventh 5-Year Plan, which started this year," Li said. Moreover, another 1.66 million hectares of land will be turned into woods or pastures through air seeding by 1995. "By then, forests will cover 7.7 percent of the land in Northern China, compared with 5.9 percent last year," Li told XINHUA.

This means that a third of the loess highlands will be freed of soil erosion, and shelterbelts will divide 17.3 million hectares of farmland into checkerboard patterns.

"We'll raise funds for afforestation mainly through governments and peasants, who are entitled to enjoy benefits from the trees they plant," Li said. "Of course the central government will also allocate funds, extend loans with discounted interest rates, and provide subsidies for saplings and technical guidance to peasants," he added.

Some counties suffering the most serious soil erosion will be singled out to receive possible loans for tree planting from the United Nations Food and Agriculture Organization and the World Bank.

/12913
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CONCERNS IN DEVELOPING HIGH-QUALITY RICE OUTLINED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 11, Nov 85 pp 10-12

[Article by Chen Jiansan [7115 1696 0005], Zheng Xuejun [6774 1331 6511], Cao Wanjun [2580 1238 0689], and Yin Lin [1438 2651], Crop Germplasm Research Institute, Chinese Academy of Agricultural Sciences: "A Few Problems of Concern in the Development of High-Quality Rice"]

[Text] China is one of the world's richest rice-growing nations. Here, paddy holds a predominant position in grain production. In recent years our grain production has expanded tremendously. In 1984 total output reached 814.24 billion jin, up 99.33 billion jin over 1978, for an average annual increase of 2.5 percent during those 6 years. How we maintain this fortunate situation and, given continued steady increases in grain yield and guaranteed regional self-sufficiency in grain production, how we strive to develop high-quality rice, are questions of the utmost significance in promoting development of the commodity economy.

In view of our current situation and that of the international market, not only is it possible for us to work to develop high-quality rice while still guaranteeing regional self-sufficiency in grain production, but there are broad prospects for doing so. For one thing, statistics show that we have a total of about 500 million mu of cultivated paddy land in China, of which approximately 174 million mu, or 35 percent, produces low-quality rice. The "grain-selling difficulties" that appeared in the south in 1985 were primarily due to the unsalable quality of some of the rice from this section of paddy area. In addition, in 1983 the state purchased 62 billion jin of rice nationwide, of which only 7.5 billion jin, or 12 percent of the total, was the top-selling polished round-grained nonglutinous rice. Based on these calculations, city dwellers and townspeople nationwide have an average of only 3 jin of high-quality rice per capita per month. Deciding how to suit measures to local conditions and switch from low-quality rice to high-quality rice on some of our paddy land will help us resolve the contradictory problems of state overstocks and "grain-selling difficulties" among rice farmers due to low-quality rice. In addition, it will simultaneously provide some increase in high-quality rice for city dwellers and townspeople.

A second fact that points to good prospects for high-quality rice production is that the amount of land area currently growing high-quality rice is only 22 percent of all cultivated paddy area nationwide. At the same time, our capacity for competition in the international market is not up to par. For example, the quantity of husked rice China now exports annually accounts for only about 10 percent of the international market. In Hong Kong, polished long-grained nonglutinous rice grown in Australia sells for HK$4,597 per ton and that grown in Thailand sells for HK$2,650 to HK$2,738 per ton, whereas that grown here in Guangzhou sells for only HK$2,395 per ton. In keeping with the spirit of the National Symposium on High-Quality Rice Production, we call for production of special varieties of rice and high-quality rice on 60 percent of the total paddy area, or 3 billion mu, by the year 1990. If we achieve this goal it will play a very important role in resolving the shortage of high-quality rice on the domestic market and improving our capacity for competition on the international market.

In view of the actual circumstances facing us in various localities, in order to develop high-quality rice while yet guaranteeing regional self-sufficiency in grain production we must take care to resolve the following problems:

1. We Must Truly Achieve Grain Self-Sufficiency and Strive To Breed and Popularize High-Quality, High-Yield Varieties of Rice

China is a huge nation of 1 billion people that relies for the most part on grain self-sufficiency, so grain production remains a major problem. In particular, populous regions where there is little land have long been dependent on outside supplies of grain. This is rather hard on all aspects of communications and transportation. Consequently, we should strive to achieve regional self-sufficiency in grain production and make great efforts to breed and popularize high-quality, high-yield varieties. A look at the current state of high-quality paddy varieties popularized in various Chinese localities reveals that Special Grade-1 Rice generally weighs 13.5 to 14.5 grams per thousand grains, Special Grade-2 Rice weighs 14.5 to 16.2 grams, and Special Grade-3 Rice weighs 16.3 to 18.5 grams. Therefore, the yields per unit of area are universally too low, generally only around 300 to 400 jin. If the thousand-grain weight was improved to 20 to 25 grams, the unit yields could then rise to 500 to 600 jin. In addition, the famous and rare varieties now used in China are mostly traditional peasant varieties that are usually low in resistance and particularly sensitive to hoja blanca and rice blast. This is another major reason for low unit yields in high-quality paddy. Consequently, we must strive to breed and popularize improved varieties that have relatively high thousand-grain weights and strong resistance properties.

Given the existence if high-quality, high-yield improved varieties, if a particular locality is still not self-sufficient or cannot achieve regional self-sufficiency, then it is to be feared they will have difficulty developing high-quality paddy. From a national perspective, in developing high-quality rice we should first stress expansion of medium-quality rice that has a unit yield of 700 to 1,000 jin. Then, as appropriate, we should expand high-quality rice that has a unit yield of 500 to 600 jin and reserve a certain area for special varieties of rice. This is because medium-grade rice is not

only high in unit yield, it also commands a vast domestic market, whereas special varieties of rice are primarily dependent on sales abroad.

As for breeding and popularizing improved varieties that have high thousand-grain weights and strong resistance properties, if only the work keeps pace this will not be hard to handle. For example, we crossed a sterile line of high-quality polished round-grained nonglutinous rice weighing about 25 grams per thousand grains with strain IR_{24}, which weighed 24 grams per thousand grains. In stalk type the progeny, called "84-9001," resembled polished round-grained nonglutinous rice, and in grain type it resembled long-grained nonglutinous rice. It weighed 20 to 23 grams per thousand grains, produced a unit yield of 600 to 700 jin per mu, and the grains had neither a white endosperm nor a white ventral endosperm. Obviously, it is completely within the realm of possibility to improve the thousand-grain weight and unit yield of high-quality paddy. To develop high-quality paddy methodically, it is essential to take vigorous action to establish a base for breeding improved varieties of high-quality rice. This is the foundation upon which to expand high-quality rice. For any further expansion to occur there should be a unified, national requirement for technical standards. For example, we should have suitable standards for physical properties, such as white ventral endosperms, white endosperms, and the ratio of vitreousness; chemical components, such as the amounts of amylose, amylopectin, protein, lysine, and fat; and agronomic character, such as plant height, thousand-grain weight, resistance, degree of regularity, and palatability. Generally speaking, we can call rice high-quality when it is "not sticky when soft, not hard when cold, delicate in fragrance, and palatable." There is no doubt that determining the above technical standards is very important in evaluating high-quality rice.

2. We Must Take Care To Suit Measures to Local Conditions and Pay Close Attention to Environmental Effects

High or low quality in paddy varieties is controlled by major [zhuxiao] [0031 2400] genes and minor [weixiao 1792 2400] genes, which have not only a hereditary effect, but also an environmental effect. Generally speaking, high-quality rice has superior qualities, just as do such celebrated varieties as Tianjin Shiao Chan Rice, Beijing Jingxi Rice, and Zhengzhou Fenghuangtai Rice. However, a single variety will display different characteristics under different ecological conditions. For example, Shuiyuan Rice No 258 displays high quality in Lu'an Anhui, but in Hangzhou it displays poor quality. From this we can see that the production of high-quality rice is closely tied to ecological and environmental conditions. Therefore, in addition to striving to select high-quality, stable new varieties, rice-breeding households should take care to suit production measures to local conditions and avoid blindly introducing and popularizing improved varieties. Based on natural conditions, sunlight, temperature, water sources, soil, and farm production conditions in China, the Liao He-Huai He and Huang He-Huai He regions should become the primary commodity grain production bases for high-quality rice in China. Such places as Nanyang, Xinyang and Zhumadian prefectures in Henan; Lu'an and Fuyang prefectures in Anhui; Xiangyang and Huanggang prefectures in Hubei; and the Xuzhou-Huaiyin region of Jiangsu each can adopt water transport in well-watered areas and overland transport in dry areas, striving to develop early,

midseason and late rice; wheat stubble paddy; and dryland rice cultivation and management. There are particularly bright prospects for expanding hybrid round-grained nonglutinous rice in these areas.

3. High Quality Should Command a High Price, and We Must Improve Processing Technology

At present, there is no correspondingly high price for high quality in Chinese rice procurement. More often than not high quality does not mean a high price, and even when the price is raised it still cannot produce the kind of income that should be earned from cultivating high-quality rice. This dampens any enthusism rice farmers have for cultivating high-quality rice. Consequently, we suggest that pricing departments issue clear stipulations on this point. The primary basis for setting prices for high-quality rice should be similarity of production conditions, so as to be roughly commensurate with production income from ordinary husked rice. For example, if we can produce 500 to 700 jin per mu of medium-grade rice, figured at 3 jiao per jin the output value would be 150 to 225 yuan per mu. If we can produce only 350 to 500 jin per mu of high-quality rice, and we still calculate the value at 3 jiao per jin, the output value would be only 105 to 150 yuan. This is obviously irrational. To ensure that the per-mu output values are roughly commensurate we must raise the price of high-quality rice by more than 50 percent.

In addition, many problems remain in our current technology for processing high-quality rice. For example, much of the high-quality rice is long grained, whereas most processing machines are only suited to elliptical rice grains. If the long-grained rice is inserted the rice grains cannot exit whole. Thus, we must resolve technological problems with rice-husking machinery. To develop high-quality rice production is actually to develop commodity paddy production. We can achieve the optimum economic results only if we proceed under the guidance of the state plan. To expand the production of high-quality rice we should effect coordination of production, processing, and management and organize all manner of economic associations for scientific research, production, processing, and quality control. This will ensure that China moves into commercial rice production as quickly as possible.

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NATIONAL

CORN PRODUCTION PROSPECTS ANALYZED

Shenyang NONGYE JINGJI [AGRICULTURAL ECONOMICS] in Chinese No 6, 13 Dec 85 pp 17-19

[Article by Lu Fande [0712 4907 1795], Liaoning Department of Agriculture and Animal Husbandry: "Prospects for Corn Production"]

[Excerpt] II. There Is No Corn Surplus in China

Corn has been grown in China for only 400 years. Compared with other ancient crops such as rice, wheat, millet, and sorghum, which have a long history of cultivation in China, corn has been grown for a fairly short time. However, it has developed with a rapidity rarely seen among other crops. In the 1930's corn was cultivated on no more than 70 million mu of land, and by the 1940's it reached 85 million mu. By 1952 corn cultivation nationwide had expanded to nearly 188 million mu, had a unit yield of 179 jin and a gross yield of 33.69 billion jin, and accounted for 10.5 percent of gross national grain yield (327.85 billion jin) in that year. By 1983 corn cultivation had spread to 282 million mu, produced a unit yield of 483 jin, reached a gross output of 123.64 billion jin, and accounted for 15.8 percent of that year's gross national grain output (774.5 billion jin). In the 30-plus years since the PRC was founded corn production area has increased more than 50 percent, unit yield has improved more than 170 percent, and gross yield has risen over 260 percent. Now, both in cultivated area and gross yield, China has become the world's second largest corn-producing nation.

On the domestic front corn stands in third place, behind rice and wheat. In terms of area under cultivation it has become China's fastest growing grain crop, and in terms of unit yield it is her most improved crop. "Corn-selling difficulties" have appeared in some provinces, particularly in 1983 and 1984, but an analysis of the nationwide situation certainly shows no corn surplus in China: 1) From the standpoint of the amount of corn per capita (averaged based on 1983 corn yield and using the 1982 population), China still falls below the average world level (78 kg), coming in at only 67 kg per capita. By contrast, there are 480.9 kg of corn per capita in the United States, 188.8 kg in France, 336.6 kg in Brazil, 120.9 kg in Italy, 476.8 kg in Yugoslavia, and 517 kg in Romania. The Soviet Union and Japan are nations that have fairly small amounts of corn per capita, and they arrange each year for volume imports to satisfy their fodder production needs. 2) From the standpoint of

the average state of grain trading nationwide between 1981 and 1983, all the provinces in the north, east, south, southwest and northwest of China were short of corn, and the shortfall reached 3.86 billion jin. Reports of abundant corn came mostly from 3 provinces in the northeast, where 8.42 billion jin were reported in all. The surplus after balancing the two statistics is a mere 4.56 billion jin. However, there are circumstances here that call for closer scrutiny: the grain yields in some localities were not honest. Some specialized households storing grain for the state reported rather large quantities, but when the grain was actually to be allocated they did not have it. If we figure that 10 percent of the reports were unreliable figures, then we can lower the allocation by 1.2 billion jin, leaving only 3.36 billion jin of surplus. The majority of this cannot be used for fodder; because policies make no provision for it, it is not worthwhile to use corn to feed swine. If prices are cut to sell the corn, nobody will compensate for the loss, and if it is marketed at the original price nobody will want to buy it. Consequently, it has come about that those who wish to buy corn cannot buy it and those who wish to sell corn cannot sell it. As for the foreign trade angle, that little so-called excess of grain is not even enough to export to Japan; if the international market was really opened up our corn would obviously be grossly inadequate. According to news reports, in 1985 China's foreign trade volume in corn was nearly 4.75 million tons.

Nowadays the livestock industry accounts for only about 14 percent of the gross value of agricultural production [GVAO] in China, whereas in nations with fairly well developed livestock industries it usually represents 40 to 50 percent. The discrepancy between these two figures is too great. If we plan according to projections, in the year 2000 the output value in China's livestock industry will rise to 30 percent of GVAO. At that time we will need approximately 300 billion jin of fodder grain per year, but we will only be able to produce 200 billion jin of corn. Even if we use all of it to develop the livestock industry we will still be far short of what we need.

There is one more example we can use for reference: some people divide the 24 years prior to 1983 in the Soviet Union into 2 segments of 12 years each. In the former 12 years there were 1,200 jin of grain per capita and it was declared that there was a grain surplus that could be exported. In the latter 12 years there were 1,600 jin of grain per capita, 400 jin more for each person than in the previous 12 years. Nevertheless, grain was felt to be insufficient and nearly 20 million tons of grain (primarily corn) was imported each year, making 200 jin of imported grain per capita. Under this scenario China is now in the same stage as was the Soviet Union in the former 12-year period. Moreover, the amount of grain per capita here (about 800 jin) is far lower than that in the Soviet Union at that time, primarily because our livestock industry is undeveloped and grain conversion has not kept pace.

To sum up, to say now that we have an abundance of corn would be a sham. This kind of excess only reflects the undeveloped state of China's grain processing and livestock industries and the continued low standard of living among her people. In the past few years tentative plans have been proposed in some provinces to cut back on corn and expand cash crops. This course quickly brought natural penalties, and those provinces are again seeking to develop corn production.

III. Corn Is a Superior Crop in Liaoning

Corn has been cultivated in Liaoning for just over 300 years. According to textual research, corn cultivation was recorded there in the 21st year of the reign of Kang Xi in the Qing dynasty. As of 1949, 10.26 million mu of land in Liaoning was cultivated in corn, accounting for 17.7 percent of the total grain crop area. This was less than the amount of land devoted to either sorghum or millet, thus placing corn third in terms of area sown provincewide. The total corn yield was 1.73 billion jin, or 23.8 percent of total grain yield; corn placed second, yielding less than sorghum and more than millet. Because corn has a high yield and a broad range of uses, in the 30 years since the founding of the PRC the area sown, the yield per unit of area, and the gross yield have all grown rapidly. As of 1983 the area of land sown in corn reached 18.29 million mu, accounting for 44 percent of the sown grain cropland in that year. The gross corn yield was 14.74 million jin, or 52 percent of gross grain yield, placing first among all sorts of crops. Corn yielded an average of 805 jin per mu, 15.2 percent higher than the average grain yield of 683 jin per mu, and was second only to paddy. Liaoning corn yield was higher than average international and national unit yield levels. This reflects the fact that corn is truly a crop with major advantages in Liaoning. These advantages are primarily manifested as follows:

1. Natural Advantages: Natural climatic conditions over the majority of Lioaning are suited to growing corn. In particular, the regions of Liaoning that have the most favorable overall natural climatic conditions are in the warm, semi-humid central plains region, including southwest Shenyang; southern Xinmin; Liaozhong; all of Tai'an; Liaoyang; Dengta; Anshan; most northern towns of Haicheng; eastern Heishan; and some parts of Yingkou, Panshan, and Dawa. The heat, moisture, and illumination conditions are adequate, the frost-free period is lengthy, the soil is fertile, and it is perfect for growing corn. In the temperate, semi-humid undulating plains region of northern Liaoning--that is, in Shenyang, Tieling, most of Kaiyuan, southeast Kangping, Faku, and all of Changtu--although heat conditions are slightly deficient, moisture and illumination are adequate, the soil is fertile, and the requirements for corn growth and development are fairly well met. From a provincewide perspective, natural climatic conditions in the corn-producing area most basically approximate those in the U.S. corn belt: identical temperature changes from April through September, identical patterns of precipitation, and identical temperature and moisture requirements at each stage of corn growth. Northern Liaoning is comparable to Jilin and Heilongjiang: the temperature is a little too high and the frost-free period is rather long. Southern Liaoning is comparable to Hebei and Shandong: the organic matter component in the soil and the quantity of rainfall are somewhat high.

2. Geographic Advantages: If in the future China develops into a corn-exporting nation, her primary trade targets will be Japan and the Soviet Union. Thus, Liaoning possesses an obvious geographic advantage for exporting corn. Liaoning has a long coastline, numerous ports, and convenient highway and railroad transportation. To export corn to Japan, Jilin and Heilongjiang would need to ship most of it through Liaoning harbors, which means moving it somewhat farther than corn produced in Liaoning would have to be moved. And

for exporting to the Soviet Union, Liaoning is also much better situated than Hebei and Shandong. However, this is only an internal comparison; much more important is a comparison with the United States. Right now the major corn-importing nations are Japan and the Soviet Union, and we possess an even greater geographic advantage over the United States with respect to them. As Japanese traders have noted, not only is Chinese corn higher in quality than U.S. corn, but transport costs are lower. In addition, using small vessels to ship corn directly to various Japanese ports can reduce vessel transfer charges, shorten transport time, and reduce interest on merchants' import credit to the lowest possible limit. Thus, some people predict that "China is becoming Japan's major corn supplier, and thus may put a squeeze on the United States' several-billion-dollar market." Liaoning, which enjoys a geographic advantage, should place an emphasis on corn production.

3. Consumption Advantages: Liaoning has many industrial and mining enterprises and a high urban population ratio. A high proportion of meat, milk, and eggs is needed in dietary composition, so a lot of corn must be used for fodder. Industry also uses a significant amount of corn. Therefore, as the proportion of corn in the diet decreases in the wake of the rising standard of living, the total need for corn will not drop day by day, but will rise. The following figures are based on predictions of the amount of corn Liaoning will need in the years 1990 and 2000: For foodstuffs we should require 2.31 billion jin of corn in 1990, decreasing to 1.26 billion jin in 2000; corn for fodder will reach 10.4 billion jin in 1990 and increase to 15.6 billion jin in 2000; for industry we will require 1.3 billion jin of corn in 1990 and 2 billion jin in 2000. The combination of all three produces a requirement for 14 billion jin of corn in 1990 and 18.9 billion jin in the year 2000. Calculating based on the assumption that we can maintain an area of 16 million mu devoted to corn cultivation, we must raise the yield from the current 805 jin per mu to 900-1,100 jin per mu. Clearly, this will be an arduous task.

IV. A Guiding Ideology for Developing Corn Production

In order to ensure stable growth in corn production and raise it to a new level, and to promote expansion in cultivation trades and processing industries, we must get our footing now, keep our eyes on the future, and adopt certain measures. As for our general guiding ideology, it should be to revise composition, increase unit yield, improve quality, handle grain conversion well, and raise exports.

Revising composition primarily refers to three situations: First, in regions where the sown corn area has in the past been too concentrated, we should make appropriate reductions in cultivated corn area and increase cultivation of other crops, particularly legumes. This applies specifically to those localities in which the proportion of corn already accounts for or exceeds 80 percent of the total sown area. Doing so brings advantages in preserving a good natural environment, ensuring sustained and balanced increases in yield over successive years, reducing the danger of blights and pests, maintaining soil fertility, improving living standards, and increasing agricultural results. There is a current saying that "the United States has the corn belt for growing corn, but we also grow corn in our own corn belt." This is a

misunderstanding. In reality, the land in the U.S. corn belt supports corn and soybeans in a ratio of roughly 3:1. That is, there is 1 mu of soybeans for every 3 mu of corn, and there are also other fodder crops grown as supplements. This is the only way to guarantee corn and soybean yields. Second, in the past some areas that from the start were unsuited to corn cultivation were growing corn anyway. These areas should switch to more suitable crops and refrain from cultivating corn. This would help to improve agricultural results. For example, the cold, semi-arid dune region of northwestern Liaoning, including most of Jianping and northern Beipiao, Fuxin, and Zhangwu, is deficient in moisture, heat, and soil fertility. It has a lot of wind-blown sand, severe spring droughts, a very short frost-free period, frequent occurrences of low temperatures and cold damage, and is extremely unsuited to growing corn. More early-maturing, drought-resistant crops tolerant of poor soil conditions should be grown there. Third, in some areas suited to development of paddy, wheat, and other fine-grained crops, we can reduce the cultivated corn area as appropriate and switch to growing fine grains and high-grade rice. In general, given a situation of stable corn cultivation area, we must make suitable revisions to make composition more rational.

We must increase unit yield primarily because the arrangement of overall crop composition and the state of land utilization preclude reliance on large increases in corn cultivation area to raise corn yields. However, because of the expansion of cultivation trades and the development of multipurpose uses for corn, society's need for corn will continue to grow dramatically. The only way to resolve this contradiction is to improve the output of corn per unit of area. Based on experience from all over, the most important technical measures for increasing corn yield are to make use of hybrid vigor, increase applications of fertilizers, reform the shape of cultivation, and put rational close planting into effect. Satisfactory control of blight and pest damages--particularly prevention or alleviation of damages due to leaf scab and leaf spot, green wilt, and sheath and culm blight--as well as early, seasonable sowing and late harvesting according to the circumstances, all play a role in increasing and stabilizing corn yield.

Improvement in quality refers primarily to the fact that the corn being produced in China today is quite unsuited to the demands of commodity production. Based on the various different uses for corn, we should develop different types and varieties that have different nutrient compositions and contents. For instance, based on fodder industry requirements, we should develop some corn that is fairly high in protein content, produces high yields of both kernels and stalks, and can ripen on the stalk. Based on food industry requirements we should develop some high-yield, hard-kernel types of corn. To suit the needs of the starch manufacturing industry, we should develop some relatively high-starch corn that contains special components, such as denatured starch, oxidized starch, or amylopectin. For foreign trade purposes we should develop some pure yellow and pure white corn and eliminate through selection hybrid yellow and white corn and other poor-quality varieties. To this end, breeding units and seed departments must revise their orientations in the near future and breed new varieties to meet the needs of commodity production step by step. At the same time, they must rapidly formulate new commercial quality corn standards and implement policies to

match high quality with high price. As for varieties to be used for special purposes, we must adopt special incentive policies to arouse initiative for developing all kinds of corn.

As for dealing with grain conversion, we feel that the major effort now should be to develop mixed feed in order to expand the livestock industry, actively develop the food industry, and expand the starch industry in a planned fashion. As for whether we should make use of corn to refine sugar, because it requires the importation of entirely new technology and equipment, the investment will be quite large. In addition, there are several other technical problems that we must resolve; we must make arrangements with great care and guard against rushing headlong into action. Based on our national conditions, we should concentrate on small and medium-sized models in building feed mixing plants. We should invest funds through many channels, engage in diverse forms of plant management, achieve local grain conversion, be supplied from nearby areas, move toward raising livestock in specialized households, and make things convenient for the masses. As for the feed industry that is already in operation, it should begin to play its full role as quickly as possible and the state should provide it with certain preferential pricing and tax policies. In developing corn for the food industry we should take care to improve nutritional quality and palatability and achieve an attractive product at a low price. In developing cornstarch we should emphasize rational composition, coordination between production and marketing, guaranteed raw materials, and constant quality improvement. Simultaneous with the development of the ordinary starch industry, we should develop unusual starch industries as needed.

In our current situation of insufficient grain conversion capability, increasing exports means that we must increase direct exports of corn. We can thus both alleviate "corn-selling difficulties" and gain foreign exchange. Right now part of the corn China exports does not meet the demands of the international market. We should take care to improve its commercial quality, particularly through the farm implements and threshing equipment we use.

12510
CSO: 4007/212

NATIONAL

JUTE, AMBARI OUTPUT, FAR OUTPACING DEMAND

Beijing ZHONGGUO CUNZHEN BAIYE XINXI BAO in Chinese 14 Nov 85 p 2

[Article: "Output of Jute and Ambari China in Excess of Sales Has Become Inevitable"]

[Text] Production of jute and ambari in China is out of control. The planted area has been expanded blindly and output has increased substantially. According to a comprehensive analysis of the situation in all areas, output of jute and ambari is certain to exceed demand.

Here is the situation in each jute and ambari producing region: In Hunan, the planted area is 820,000 mu and output may reach 3 million dan, while total yearly consumption in the province is 710,000 dan. The prediction is that output during the next production year could supply Hunan for 3 to 4 years.

In Jiangsu, the planted area is 300,000 mu, which can produce 2 million dan, while yearly sales within the province are 1.2 million dan.

Shandong may produce 2.8 to 3 million dan of jute and ambari while sales within the province are 1.2 million dan. The historical pattern of shipping jute and ambari into Shandong has changed to one of out-shipment.

In Jiangxi, the planted area is 213,000 mu, which can produce 1 million dan. Yearly consumption within Jiangxi is 460,000 dan, so production exceeds sales by more than 500,000 dan.

The amount of planting in Sichuan is up 3.7-fold over 1984 and can produce 7 million dan. Total yearly consumption of the fiber is 700,000 dan, so there is a substantial contradiction between supply and demand.

In Anhui, the planted area is 2.6 million mu and there will be a surplus of about 7 million dan over the amount needed to satisfy demand.

In Henan, the planted area is 2.69 million mu, which can produce 8.5 million dan. The maximum capacity of markets within Henan is 3 million dan.

Hubei may produce 4.5 million dan of jute and ambari, up by 86 percent over 1984. There is self-sufficiency and a surplus.

12539/7687
CSO: 4007/128

NATIONAL

SCIENTIFIC USE OF FERTILIZER URGED

Beijing RENMIN RIBAO in Chinese 23 Dec 85 p 2

[Article by Qin Zhongda [4440 0112 0671], Minister of Chemical Industry: "Actively Encourage Scientific Application of Fertilizer, Promote Stable Increased Production in Agirculture"]

[Text] Chemical fertilizers are a major bulwark of agricultural production. Ensuring bumper harvests in agriculture every year requires accelerated development of the chemical fertilizer industry. In the more than 30 years since the founding of the country, chemical industry departments have always regarded development of chemical fertilizers and aiding agriculture as their personal main responsibility. Currently, there are almost 2,000 chemical fertilizer enterprises in China at the county level or higher, the production capacity is more than 80 million tons (this and following figures are for standard chemical fertilizer), and varieties of fertilizer include urea, ammonium nitrate, ammonium bicarbonate, ammonium chloride, liquid ammonia, ammonium hydroxide, ammonium sulphate, ordinary calcium superphosphate, fused calcium-magnesium phosphate, and humic acid fertilizers; ammonium phosphate, potassium chloride, potassium sulphate, and micronutrient fertilizers are produced in small amounts. This has formed a chemical industry production system with Chinese characteristics, which simultaneously uses three kinds of raw materials (coal, petroleum, and gas) and integrates large, medium, and small enterprises. In 1984, the nation produced 72.5 million tons of chemical fertilizers, which included 58.38 million tons of nitrogen fertilizers, 14 million tons of phosphate fertilizers, and 120,000 tons of potassium fertilizer; the total output is third in the world, next only to the USSR and the United States. It make a contribution to aiding agriculture.

Although there has been major growth in China's chemical fertilizer industry, it still cannot satisfy the needs of agriculture. This is mainly seen in: 1) There is little variety in domestic chemical fertilizers; there is especially little phosphate, and even less potassium and compound fertilizers. The proportions of nitrogen, phosphate, and potassium fertilizers are not at all what they should be. In response to this, chemical industry departments are in the process of actively taking measures, within the national unified plan, to establish a number of key compound fertilizer projects, develop potassium fertilizer resources, restructure the mix of products, and gradually increase the percentage of phosphate and potassium fertilizers within the total output of chemical fertilizers, thus meeting the needs of agriculture. 2) There are

serious problems in the scientific and rational application of fertilizer. At present, when chemical fertilizers are applied in most areas in China, soil nutrients are not analyzed nor is there a diagnosis of plant nutritional needs, much less application of fertilizer according to formula. Due to the lack of scientific guidance, there is great deal of senseless application, causing the effective use rate of the chemical fertilizers to drop drastically and affecting the agricultural economic results.

Various chemical fertilizers all have their own characteristics, uses, and application methods. The principal nutrient in nitrogen fertilizers is the element nitrogen, an important part of all proteins and cell protoplasm in the plant. Applying nitrogen fertilizer can make the crop's branches and leaves grow profusely. The main nutrient in phosphate fertilizers is available phosphorus, which plays a key role for the plant's life activities in converting energy, respiration, and phostosynthesis. Using phosphate fertilizers can give the plant profuse budding and plump fruits. The main nutrient in potassium fertilizers is available potassium, which is an activator of enzymes in plant cell metabolism activities. Applying potassium fertilizer can make the plant strengthen its resistance to drought, cold, and disease and make sure the stem has healthy and sturdy growth. This is why we say that nitrogen, phosphorus, and potassium are "three key elements" required for plant nutrition. The various micronutrient fertilizers contain boron, zinc, molybdenum, copper, manganese, and iron, which are nutrient elements indispensible to plant growth. Applying specific micronutrient fertilizers in areas lacking certain elements can allow plants to achieve striking increases in yields. According to on-the-site testing by agricultural science departments, the soil in Chinese farmland generally lacks nitrogen, phosporus is usually lacking, and some areas clearly lack potassium and micronutrients. In agricultural production, we must bear in mind local production needs in proportionally mixing and applying nitrogen, phosphorus, potassium and micronutrient fertilizers according to the plant's nutritional needs and soil and climate conditions; only then will it be possible to improve the use rate of chemical fertilizers, ensure the healthy growth of crops, and effectively solve the problem of increasing yields.

Ammonium bicarbonate is a major kind of nitrogen fertilizer in China, currently accounting for 58 percent of total output of nitrogen fertilizers. Because ammonium bicarbonate's nitrogen content is only 17 percent, when removed from the package at ordinary temperatures it easily decomposes and volatilizes, presenting problems to field application and commercial storage and shipping; therefore, people have very different evaluations and understanding of its fertilizer efficiency. In order to scientifically evaluate ammonium bicarbonate and fully use its capacity to increase agricultureal yields, agricultural scientific research departments have for many years done a great deal of work. Indoor system-simulation experiments, field fertilizer-efficiency comparison experiments, and local use under actual conditions nationwide have proven that as long as the fertilizer is applied scientifically and rationally, is applied deep in the soil and is used as a base fertilizer, it will be easily absorbed by the soil and work as quick-acting fertilizer; furthermore, the fertilizer efficiency is the same as equal amounts of urea or ammonium sulphate. In terms of its qualities as an agricultural chemical and its fertilizer efficiency, ammonium bicarbonate is

quite a good variety, especially given conditions in China: materials are available locally and it can be locally produced, marketed, and applied. For equal amounts of nitrogen, the price is cheaper than imported urea, thus saving China large quantities of foreign exchange. The Jixian County chemical fertilizer plant in Hebei, taking account of the local conditions--impoverished soil, low fertility, and little rain and water, started in 1981 to cooperate closely with agricultural science departments in actively conducting experiments in application of ammonium bicarbonate to arid and semiarid farmland. They suggest changing topdressing to one-time base application in two layers, which is to take the fertilizer needed by the plant during its entire period of growth and integrate it into the turned-over soil as a base fertilizer; all of it is put into the soil at once, 20 percent going to the shallow layer and 80 percent into the layer beneath the plow. In this way, the ammonium bicarbonate is integrated with plowing, being applied deep and then covered with dirt, so that it is easily absorbed by the soil and damage from volatilization is avoided. Furthermore, first the soil is fertilized and then the seedlings are, benefiting the growth of crops. According to statistics from 1981 to 1984, the rate of per-unit area increases in grain yield was 30.8 percent, and per-unit area yields of cotton grew 180 percent. The Jixian County chemical fertilizer plant actively helps peasants analyze the soil and diagnose plant nutritional needs, recommends rational fertilizer application programs, and trains agricultural chemical technicians. This not only promotes local increases in agricultural yields, it also causes production and marketing of ammonium bicarbonate to thrive and improves the enterprise's economic results. At present, the plant is studying how to make fertilizers specifically for various crops and mixed fertilizers, further expanding the scope of its service to agriculture.

Ordinary calcium superphosphate is the main type of phosphate fertilizer in China, currently accounting for 72 percent of total phosphate fertilizer production. Tests by agricultural science departments have proven that although the available phosphorus content of ordinary calcium superphosphate is rather low, aside from the water-soluble phosphorus in the available component, the sulfur is also an important nutrient needed by plants. As long as it is properly applied, when compared to high-efficiency phosphate fertilizers with equivalent amounts of phosphorus, its fertilizer efficiency is similar. As long as we carry out, especially in the large areas of China which lack phosphorus, scientific fertilizer-application techniques such as phosphate application in low-yield fields, use of phosophorus to increase nitrogen-fixation in legumes, and, for grasses, the mixing of phosphate and nitrogen fertilizers, use of phosphate fertilizer as a base fertilizer, concentrated application of seed manure, and dipping seedling roots, we can effectively improve the level of per-unit area crop yields, as well as improve the quality of grain and cotton. In other words, scientific and rational application of fertilizer is crucial to realizing bumper grain and cotton harvests and agricultural growth.

In the new situation, if we want small chemical fertilizer enterprises to maintain their thriving vitality and make new contributions to supporting agriculture, every level of chemical industry departments and small chemical fertilizer enterprises should concentrate on three tasks: 1) Conscientiously strengthen management of enterprises, further carry out feasible management

practices, conserve energy and reduce consumption, lower costs, raise quality, and improve packaging. 2) Establish firmly a commitment to serve agriculture wholeheartedly, seriously study and widely promote the experiences of the Jixian Country chemical fertilizer plant, closely cooperate with agricultyural science units and agricultural finance departments, give considerate service to peasants, and enable the existing county-level small chemical fertilizer plants to gradually become small-scale mixed and compound processing plants, scientific fertilizer-application service posts and supply depots directly providing chemical fertilizer to peasants; in this way we can establish a rational new system of chemical fertilizer production, scientific research, marketing, and service. 3) Emphasize various models for the technical transformation of small chemical fertilizer plants which will meet local needs; restructure the product mix, including transformation into urea, diammonium phosphate, ammonium phosphate, and modified ammonium carbonate, gradually increasing their use; and at the same time work hard to improve "diversified production, with fertilizer at the center."

In order that the small-scale chemical fertilizer industry may further play an important role in supporting agriculture, many local governments, in accordance with pertinent national regulations, are reducing or cancelling the tax on products which use coal and coke as a raw material; according to the characteristics of chemical fertilizer production in normal years and seasonal usage, they are providing enterprises with loans for marketing off-season stores or they are issuing loans to peasants, so that the fertilizer is stored with the people and is available when needed for agricultural use; the work of industrial and commercial departments is closely coordinated, marketing of chemical fertilizers is strengthened, and the chemical fertilizer is sent to the peasant households and the fields, preventing shortages in buying fertilizer during the busy time of spring plowing; the marketing price of chemical fertilizer is allowed to fluctuate up and down between the high- and off-season for marketing; enterprises are provided with coal and electricity at the preferential price for supporting agriculture; and so on. We believe that these supportive policies and measures, which benefit growth in China's chemical fertilizer industry, should be further promoted and implemented.

12919/12913
CSO: 4007/174

STUDIES ON THE MONOCLONAL ANTIBODY OF EQUINE INFECTIOUS ANEMIA VIRUS

Beijing ZHONGGUO NONGYE KEXUE [SCIENTIA AGRICULTURA SINICA] in Chinese
No 5, 85 p 81

[English abstract of article by Lu Jingliang [4151 2529 5328] et al, of Harbin Veterinary Research Institute of the Chinese Academy of Agricultural Sciences]

[Text] Spleen cells from BALB/c mouse immunized with Equine Infectious Anemia (EIA) virus soluble antigen were fused with mouse myeloma cell line SP2/0. Then three hybridoma cell lines, namely A4, A6, and C4, producing monoclonal antibodies against EIA virus soluble antigen were obtained. Their secretions were proved to contain monoclonal antibodies against EIA virus soluble antigen by enzyme linked immunosorbent assay (ELISA) and indirect immunofluorescence (IF) test. These monoclonal antibodies were identified as mouse IgG_1 with standard rabbit anti-mouse IgG subclass antisera. The apparent molecular weight of the IgG_1 was 150,000 d, and that of its heavy and light chains were 50,000 d and 25,000 d, respectively. The physiochemical and biological properties of the monoclonal antibodies were in accord with those of IgG_1.

CSO: 4011/26

BRIEFS

FORESTRY OUTPUT BOOSTED--Beijing, 26 February (XINHUA)--Output value of forestry businesses has increased from 310 million to 550 million yuan over the past five years, thanks to the diversified economy, the Ministry of Forestry reported here today. Forestry enterprises include crop cultivation, animal husbandry, and the processing, servicing, mining, and transportation of these resources. The number of forestry enterprises has grown from 3,500 with 450,000 workers to 4,200 with 640,000 workers in five years. Oil-bearing trees are being harvested along with newer products including fruit trees. China planted 3.8 million hectares of fruit trees in the 1981-1985 period. The output of date, Chinese chestnut, walnut, raw lacquer and anise reached record highs last year. Wild fruits, such as sea-buckthorn and yangtao (goat's peach) are also being cultivated. A hundred grams of their fruit contain 800 and 200 miligrams of vitamin C respectively, 20-160 times that of apple. Guangdong province has planted 70,000 hectares of fast-growing, high-yield trees over the past five years. It plans to add an additional 340,000 hectares in the 1986-1990 period. [Text] [Beijing XINHUA in English 1124 GMT 26 Feb 86 OW] /12913

PLA FARM OUTPUT--In 1985, PLA farms quickly developed economic diversification, the area planted to oil crops, sugar crops, tea, medicinal herbs and other cash crops was 1,050,000 mu. They raised fish in 147,000 mu of water, the marine catch was 14 million jin, meat production (eggs) was 120 million jin. vegetable production was 1.4 billion jin, the output value of 89 processing plants was more than 500,000 yuan; the gross profit of the farms was 260 million yuan. (From JIEFANGJUN BAO) [Text] [Shanghai JIEFANG RIBAO in Chinese 10 Jan 86 p 1]

AGRICULTURAL DATA BASE--China's first large-scale agricultural economic statistics data base system was recently set up at the Chinese Academy of Agricultural Sciences in Beijing. This is a major reform in the area of planned management and statistics work for China's agricultural economy. It will store 200 records on population, labor, cultivated land, agricultural machines, and distribution of profits at the national, provincial, regional and county level. Each year 500,000 items of data will be entered. (From SHOUDU XINXI BAO) [Text] [Shanghai WEN HUI BAO in Chinese 10 Feb 86 p 1]

CSO: 4007/312

RAPID DEVELOPMENTS IN FEED INDUSTRY REPORTED

Full-Service Outlets in Place

Hefei ANHUI RIBAO in Chinese 4 Dec 85 p 2

[Article: "Anhui's Feed Industry Develops Rapidly; a Rational Layout and full-Service OXtlets Bacially in Place for the Feed Industry System"]

[Text] "You can characterize the rapid growth of Anhui's feed industry in a single line of Tang poetry: 'Spring moistness brings heavy rains this evening'! In 1982. Anhui's feed industry was nonexistent. Mixed-feed output in 1983 was only 24, 000 tons, putting the province in 27th place nationwide. Last year's quota of 216,000 tons was reached; and Anhui had risen to 14th place, while this year's first half jumped us to fourth place in output. From January through October, over 567,000 tons of feed had been produced, which exceeded state-lanned output by 42 percent before the year was out. Projectiosn for the whole year run between 650,000 and 700,000 tons, for a transformation of 700 million jin of graint. At the same time, this provided ample logistical support for the province's breeding industry." Thus reads the good news leaked to reporters by a leading comrade in the Anhui Feed Corp.

With the readjustments in the makeup of rural production and the rapid development of the breeding industry, Anhui's feed industry, which has gotten off to a slow start, welled up like a spring shower. It had the following four characteristics:

--Stable steps and rapid results. In 1982, the provincial committee and government drafted a strategic 3-year plan for establishing a feed industry system based on actual conditions in local regions and in grain departments and adopted an appropriately measured scale of control at the ground level. They marshaled scarce capital and material resources and set up effective mainstay measures for the feed industry based upon differences in region, lots, and seasons. Over the 3 years, 2 large and 78 middle-sized feed plants were built, among which 75 enterprises saw returns in the first year of production. This brought both stability and rapid growth to the feed industry, and blended speed with returns.

--A sensible and comprehensive groundwork. Anhui basically put together its feed industry system through 3 years of hard work. Depending on population,

grain production, and the stage of development of the breeding industry, anywhere from one to two intermediate mainstay enterprises were set up in all counties and cities except Fuyang and Suzhou, spearheading multitiered development of the feed-processing industry in all areas.

--Production diversification and development of product lines. Anhui's feed industry products are manifold, with special-use feeds for chicken, ducks, geese, rabbits, sheep, swine, cattle, quail, and fish. The systematization of these product lines has begun, as in dividing chicken feed into that for meat poultry and laying poultry, fledglings, and fattening chickens.

--Formation of a contingent of highly-trained workers. Even as work goes forward at the basic level, the Anhui Feed Corp is going forward with training specially fashioned to such key staff positions as executives, plant managers, technical and lab personnel, accountants, and skilled operating workers and electroni cs technicians for microcomputers. Over 10 courses of all kinds have been held over the past 3 years. In addition, mainstay feed factories in every country have been building up specialized training to upgrade significantly the quality of work throughout the feed system.

Rapid Development Urged

Hefei ANHUI RIBAO in Chinese 4 Dec 85 p 2

[Article by Wu Bin [0702 2430]: "Accelerate Development of Anhui's Rural Feed Industry"]

[Text] The rural township feed industry is an important organic part of the feed industry system as a whole. Developing this rural industry, with its local exploitation of resources, local processing, sale, and increase in value not only can improve the commodity rate for farm products and partially solve farmers' "selling difficulties"; it can also alleviate burdens on transportation, give work to a segment of excess labor, beef up rural economic power, and accelerate the development of farming, animal husbandry, and fisheries.

Anhui was relatively late in this area and had an uncertain foundation for it. After a number of years of development, it has now begun to achieve an initial order to magnitude. There are now 99 feed-processing plants with yearly output of mixed feed totaling 45,000 tons. Projects are that by year's end there will be 50 more factories. However, this is still short of what actual needs require. In some areas, the tethers of the old small-farmer mentality with its focus on planting divert attention away from the feed industry. In addition, raw material supplies are not assured, technical strength is weak, and fears exist that producing feed may lead to a loss. Thus, affirmative developments do not go forward. In fact, favorable conditions for rural township feed processing arenow numerous. Considerable amounts of farm products are concentrated in the hands of the farmers. These products are plentiful, hard to store, easily degraded, and of low utility. It is difficult to get them to larger urban areas in time for processing; and rural enterprises can

make the most of their advantages to purchase, process, and sell feed locally. Moreover, accurate assessments of the rural industrial situation are available and information feedback is rapid. Different products can be exchanged in a timely fashion. With good management and compensation for shortcomings, the feed industry has a broad avenue for future developments.

How can we raise economic returns in rural feed enterprises? First, we should hold fast to correct development policies and strive to improve operational management. This is based on making local and nearby sources a priority, and opening up multiple channels and multiple levels of raw material supply. In those areas where conditions are right, supply contracts can be signed for most or a portion of raw materials between farm households and food factories, and there can also be joint operations between these and large and middle-sized factories. The feed industry is a major organic part of farming and animal husbandry. It should develop in the direction of joint enterprise between "feed industry, feed lot, and animal-product processing." Whatever mode of manufacture is adopted, all should fully utilize local raw materials, base themselves on modern domestic animal nutrition theories, meet the needs of the raising householder, make up for shortcomings, and be flexible in production. At the same time attention should be paid to quality, reputation, and developing the trust of the farmer. Pricing should pit "high against high" (for negotiated prices) and "low against low," with a focus on high volumes and low margins to bring profits to the people.

Second, the groundwork for a rural township feed factory should be well laid. For a long time, right up to the present and into the future, Anhui's domestic feed industries will be focused on small, scattered households raising primarily swine and poultry. Thus, the general scale of feed-processing plants should be small, with an average hourly processing capability of between 500 and 1,000 kg. The layout should be adapted to the scale of local planting and the level of production, adapted to the process of improving bloodlines of poultry and other domestic animals, adapted to the level of production, comprehensively planned, and sensibly arranged. Moreover, feed plants are best constructed in places near transportation and electric power, which use little earthen construction, where raw materials are relatively abundant, and where the absolute proportion of masses raising domestic animals is high.

Third, promotion should be intensified through expanded use of free samples. Some of the masses have little understanding of the role and method of using feed. Therefore, a good deal of promotional activity needs to be done. Moreover, expanded use of free samples is a living form of advertisement. The raising household can see the results for itself and will become enthusiastic about purchasing compound (mixed) feeds for their animals. Thus, prospects for future sales of feed may become better and better.

Fourth, investment in knowledge must be stressed, and production techniques continually improved. As far as the technical work of personnel engaged in mixing, testing, processing, and equipment repair for the feed, there should be a period of pretraining to fill the dire need for them. The best of these can then be tracked into different specialities for more planned training, to eventually build up a body of technicians which understands production, is good at business, and is well-supported. This will give the industry a vigor and a relatively strong competitive edge.

12303/9274
CSO: 4007/191

LIVESTOCK INDUSTRY GROWTH NOTED

Hefei ANHUI RIBAO in Chinese 13 Dec 85 p 1

[Article: "Anhui's Livestock Industry Continues To Grow; As of End of September, 14,589,300 Head of Swine on Hand and 5,853,600 Gone to Slaughter; 4,426,800 Head of Large Animals on Hand; 2,628,000 Sheep on Hand; and 7,888,600 Rabbits on Hand"]

[Text] Over the past year, Anhui's livestock industry continued its healthy growth trend. At the end of September, there were 14,589,300 swine on hand, up 18.3 percent from the same period last year, and 5,853,600 went to slaughter, up 16.6 percent. Large animals on hand amounted to 4,426,800, up 10.9 percent; sheep, 2,628,000, up 17.6 percent; rabbits, 7,888,600 on hand, up 1.28-fold; poultry on hand, 219,072,100, up 38 percent; beehives, 193,800, up 11.2 percent.

In order to spur development of the livestock industry, Anhui's various regions have been vigorous in proliferating improved strains, accelerating improvement of stock, and utilizing improved hybrids; 121,100 head of large animals being artificially inseminated, 68.19 percent by frozen semen. The use of the "three chemicals" to raise swine is gradually spreading. In 584 villages in 63 counties throughout the province, 57,500 local sows were bred to produce 406,400 hybrid shoats, of which 134, 800 head went to slaughter as lean pork. At the same time, all areas vigorously promoted immunization assignments and disease eradication. The use of a diversified immunization-assignment responsibility system was expanded to 1,929 villages in 69 counties. Altogether some 3,313,600 households participated in immunization contracts. Veterinary departments in all areas took assignment for 5,702,600 head of swine, 1,321,100 large animals, and 43,212,700 poultry.

The livestock industry in all areas is still experiencing some noteworthy problems. For example, the price for some feed produced by grassroots-level factories is too high and quality is poor. This brings little benefit to the user household. Supplies of raw materials for feed-processing factories in the agricultural livestock system are inadequate, and the utilization rate for equipment is low. In the Huaibei region, the purchase price of goatskins has jumped and the number of households slaughtering their goats for skins is up. Some have gone so far as to kill off all their kids, which may have an impact on development of goat-breeding in the future.

12303/9274
CSO: 4007/191

PERSISTENCE URGED IN ADVANCING SECOND-STAGE RURAL REFORMS

Hefei ANHUI RIBAO in Chinese 30 Dec 85 p 1

[Commentary: "Persist in Advancing Second-Stage Rural Reforms"]

[Text] The second stage of rural reform in Anhui comprising readjustment of the makeup up of production is now going forward in a healthy fashion within the broad context of reform of the urban and rural economic structure.

If we consider implementation of the agricultural responsibility system as China's entering the first stage of modernization, then readjustment of the structure of production is now pushing China into the second stage. The provincial CPC committee and government, based upon the actual situation in Anhui, as the new year begins have suggested the following guiding principles for implementing the spirit of directions from the central leadership: "first, adjustment (of the structure of production); second transformation (of grain and transfer of labor force); and third, breakthrough (in development of animal husbandry, aquatic products, and rural township enterprises.) The past year's experience demonstrates that the success and impact of readjustment of the economic structure has been manifest. With planting area this year in the province to be down almost 5 million mu, total grain output should still approximate the bumper harvest of 1984 at around 42.8 billion jin. Gross livestock output value should reach 2,713,000,000 yuan--up 34.4 percent from last year. Gross aquatic product value is projected to be 209.13 million yuan--up 19 percent; and projections for rural township enterprises show a figure of 8.5 billion yuan--up 84.78 percent from last year. The proportion of cash crops in farming as a whole, of forestry, animal husbandry, byproducts, and fisheries in agricultural output value, and of rural industry, commerce, transportation, services, and construction in the total rural economy should all be up around 5 percent. Agriculture is now undergoing a change from the old concept of exclusively grain and ancillary crop production. Anhui's farming is moving from sole emphasis on grain production to a new situation where a hundred flowers contend in brilliance.

Of course, all is not perfect in the readjustment process. At the macroeconomic level guidance is inadequate; at the microeconomic level, avenues of revitalization are sparse. In some areas there is a tendency to overlook grain production and planting. Nevertheless, it should be noted that the existence of these problems is a normal occurrence and part of the process of development. As long as they are noted and treated conscientiously, they

will not be difficult to solve. One cannot let the existence of these issues blur one's vision and allow doubts and wavering, much less disparagement, to creep in concerning the second stage in rural production reforms. Our overall view of agriculture should include not only the situation in grain, but also the rural economic picture as a whole. The total picture should not merely comprise farming, it should be linked to the total national economic picture. Even within the grain picture, one cannot look to just a single year's performance.

Rural reforms come about in an inchoate fashion. Our goal is to create a modern socialist agriculture with Chinese characteristics. This overall goal determines that we can have no previous experience or models to follow feature for feature. The development of farming cannot be divorced from the national situation of 1 billion in population and 800 million farmers, or from the fact that China's traditional rural farming has been one of self-sufficiency year after year. Our development of China's agriculture must be grounded in Chinese soil; however, farming cannot rest at the same level as always before. It must have new breakthroughs and developments. THe reform of rural production structures and development of rural commodity production are reform programs which have been put forward in the course of these special conditions. Recently, the central leadership suggested that farming should be "transfigured." As far as planting is concerned, this means a transformation from the old pattern of straight grain planting to a new pattern of planting which includes grain crops, cash crops, and feed crops. From the standpoint of agriculture in general, the pattern should go from straight planting to an agricultural ecotype comprising comprehensive development of farming, forestry, livestock, sidelines, and fisheries--moving from straight biological reproduction as a pattern to a complex pattern of agriculture in which biological reproduction and economic reproduction are joined together. This is the path of "more links between planting and breeding, and integration of production, supply, and sales." This will gradually lead away from small-scale manual production toward large-scale mechanized production and lead away from simple production links toward a comprehensive process of "production, circulation, distribution, and consumption."

A "transfiguration" of agriculture will gradually be actualized through readjustment of the makeup of production. It is of utmost importance to summarize the experiences and lessons of this year's readjustments toward guiding readjustments next year and the "transfiguration" of agriculture. An important reason why Anhui's agricultural development has been comparatively stable, coordinated, and sustained this year is that the policy of "not relaxing grain production while affirmatively inaugurating diversified operations" has been conscientiously implemented. The importance of grain production goes without saying. This is even more the case in the second state reforms, since it is a precondition precedent to readjustment of the makeup of rural production. However, this is only one aspect of the situation. A second aspect is that if there are to be developments in rural commodity production and in bringing sense to the trends within the structure of agricultural production, there must also be requisite readjustments made in planting area, labor forces, finances, and other sectors of agricultural investment. Within these conditions, if we are to develop grain production in a stable fashion, we must not

only control at the macroeconomic level the impact of reduction of farmlands, but solve this through widespread higher yields, higher quality, countering resistance to use of improved strains, and increase investment in grain production. At the same time, we at the policy level must protect farmer enthusiasm for planting grain. In order to reduce the disparity between incomes derived from planting grain and engaging in industrial and sideline industries, a method which uses industry to subsidize agriculture and grain can be adopted. One-half of the revenues derived from taxes on rural township enterprises can also subsidize farming--and especially grain production.

Planting and transplanting of grain has been the traditional activity of China's farmers for thousands of years. The second state of rural reform has already begun to draw a number of farmers whose ancestors have for generations held onto the land for their livelihood into new rural economic projects, such as livestock, aquatic products, and rural township industry. As rural commodity production develops, this trend will become even more salient. This is a historical advance of enormous significance. Only by fully affirming this trend can we maintain our wits in the face of arguments which are unrealistic and even pessimistic and be unwavering in propelling the second-step rural reforms into a new stage. Anhui has an abundance of feed and forage resources from Huaibei to Jiangnan, a reserve of cultivable water surfaces unsurpassed in the nation, an abundance of mineral deposits and agricultural products--all of which are favorable toward the development of animal husbandry, aquatic products, and rural township enterprises. It would be no error for us to utilize these conditions to develop rural commodity production; rather this is the road which must be taken toward bringing affluence to the countryside and toward agricultural modernization. The key to the issue lies not in whether to open up this new sphere of production but rather how to strengthen leadership at the macroeconomic level and implement the proper direction to assure that both grain production and diversified operations will show stable increases. As far as Anhui's rural economy when compared to a few advanced provinces and municipalities is concerned, where we fall behind is not in grain production but mainly in the fact that rural township enterprises and diversified operations have not yet fully developed. In the coming year, we must still exert great efforts to master these weak links, and gradually establish a comprehensive structure of production which has farming as its base, has control over grain product-on, fosters revitalized circulation, all of which link up in development in an integrated fashion. We must realize the optimum combination of such production elements as resources, funds, labor force, and technology, and achieve unification of economic, ecological, and social results. Within a rather short period, we must place Anhui's rural economy in the forefront of the entire nation.

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EFFECT OF REFORM ON RURAL COOPERATIVES DISCUSSED

Hefei ANHUI RIBAO in Chinese 8 Dec 85 p 1

[Article: "Reforms Bring Opportunities to Credit Cooperatives: Farmers Have Their Own 'Little Banks'; an Average of 1 Service Facility for Every 3 Villages and Every 902 Farm Households Throughout Anhui"]

[Text] The reforms in economic structures have given Anhui's credit cooperatives new opportunities and new vigor. There are now more than 11,000 credit cooperative outlets scattered throughout Anhui's villages, with an average of 1 for every 3 villages and every 902 farm households.

Over the past year, there has been reform of rural credit cooperatives across the board. As of the end of October, 99 percent of the 3,400 grassroots level cooperatives with independent accounting had undergone reforms. Of the province's 74 counties, 68 had set up joint county cooperatives. Along with the reforms have come the beginnings of a return and strengthening of the mass nature of the organization of these cooperatives, a more democratic form of management and a business vitality. More than 7.79 million rural households comprising 78.4 percent of all farm households in the province have made themselves shareholders in a cooperative. This is an increase of 4.43 million households compared with the situation before reforms. The amount of money invested is almost 27 million yuan; and the majority of these credit cooperatives have begun to give their farmer shareholders "first priority and preferential rates" on loans. The farmers have, on their part, begun to refer to these cooperatives affectionately as "our own little banks." Over 3,300 boards of directors have been newly established for credit cooperatives throughout Anhui, over 3,100 watchdog commissions, and, in a majority of cooperatives, meetings of stockholder representatives and work-distribution systems. Certain pressing issues within the cooperatives have begun to be discussed and resolved by democratic management teams, and the bulk of the leadership and management provided the cooperatives by the Agricultural Bank has been in the form of overall planning. Moreover, these cooperatives have moved away from the prereform method of "issuing loans in spring, collecting in fall, and doing nothing in winter." They are stressing maintenance of production and have also been involved in support of circulation, services, and regular disbursements and collections. As of the end of October, the surplus of deposits had reached 1.8 billion yuan, up 200 million from the year before. Of this, farmer deposit accounts totalled 1,353,000,000 yuan or an average of over 30

yuan per capita. Loan accumulation amounted to over 1.6 billion, up 243 million from the same period last year. The province has 55 percent of farm households with loans; and this was an enormous boost to readjusting the rural production structure and the development of the commodity economy.

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IMPORTANCE OF GRAIN PRODUCTION STRESSED

Hefei ANHUI RIBAO in Chinese 9 Nov 85 p 3

[Article by Meng Fulin [1322 1381 2651]: "Grain Production Must Be Stressed and Well-Executed"; ANHUI RIBAO abstract of article originally published in LILUN XUEXI [THEORETICAL STUDIES] No 10, 1985]

[Text] In Comrade Chen Yun's speech at the National Congress of the CPC, he stated that "currently some peasants are not interested in growing grain; we should pay attention to this problem. ...feeding and clothing 1 billion people is a major economic problem for China and is also a major political problem. 'Without grain there is chaos'; we had better not underestimate this matter." This goes to the crux of the problem, and leads us to think deeply about it. We must definitely study, understand, and fully recognize the importance of the grain problem and, in the process of actively and securely restructuring rural production, strongly, strongly emphasize grain production and promote the continued, stable, and balanced development of the national economy.

I

Anhui is one of China's principal grain producers, and is also one of the principal sources of commodity grain. In 1984 the total grain output was 44.05 billion jin, a historical high and a 2.4-fold increase over 1949; Anhui ranks seventh in the nation. Since the 3d Plenum of the 11th CPC Central Committee, grain production has increased greatly every year. Comparing 1984 with 1978, total grain output increased 48.6 percent. Last year the average amount of grain per person in Anhui was 863 jin, 37.2 percent more than in 1978. In the past few years, Anhui has annually shipped out an average of about 1 billion jin of commodity grain; last year a net amount of 1.55 billion jin was shipped out. This yearthe state asked us to ship out a net amount of 3 billion jin of grain. This shows that the development of grain production in Anhui has made a definite contribution to the state; it also illustrates that the burden we are shouldering is increasingly heavier and our responsibility is increasingly formidable.

In the past few years, the provincial central committee and people's government have always placed considerable emphasis on grain production. They have stressed four links: (1) Clarify the main goals. Prefectures north of and along the Huai He should focus on avoiding disasters and on ensuring the harvest of wheat. After Comrade Wan Li came to Anhui to take charge of the

provincial central committee work, he established the policy which "concentrated on wheat" and ordered such measures as tailoring production to local conditions, rational distribution, keeping acreage constant, and concentrating on per-unit yields. Guided by this correct policy, Anhui has stressed it for several years and achieved striking results in increased yields. Comparing 1984 with 1978, total wheat output and per-unit yields grew 128 percent and 94 percent, respectively. At the same time, there were also large increases in the output of paddy rice and other grains. (2) Heavily stress technical measures for increasing production. With improving per-unit yields as the goals, select appropriate high-quality main strains suited to local conditions; promote application of foliage fertilizer, application of prescribed mixes of fertilizer, cultivation of hybrid paddy rice and cultivation with plastic-sheet mulching. For example, from the beginning of trial planting of hybrid rice in 1976 until last year, the are planted with the hybrid is more than 18 million my; the average increased output per mu is 150 jin, for a total increased grain output of almost 3 billion jin. (3) Set up commodity grain production bases. Supported by the state, Anhui has set up eight commodity grain production base counties in Shouxian, Tianchang, Fengyang, Changfeng, Feixi, Liuan, Huoqiu and Lujiang Counties, increasing intputs into production and improving the economic results. (4) SCrengthen capital construction for grain production. In the past few years, we have strongly stressed farmland capital construction focusing on building water conservancy projects. Since 1978 we have built many water conservancy projects, increasing the ability for mechanized drainage and irrigation; there has also been large expansion of the agricultural production use of machinery; the amount of fertilizer used has increased annually; and there have also been significant results in the transformation of the sajong black soil north of the Huai He.

This year we are beginning the second step of rural reform, the first year of thorough restructuring of rural production. Because we kept a clear head while we had overall control of the entire rural economy, macroeconomics guidance and guidance of different categories were strengthened and grain production was basically kept stable. According to statistics from the September meeting analyzing the agricultural situation in Anhui, this year 88.27 million mu in Anhui were planted in grain, about 5 million mu less than last year, a reduction of 5 percent; it is predicted that the total grain output for the whole year can be expected to hold even with last year's or be slightly less. In general, the grain production situation in Anhui is good. However, there have also been some unsteady elements. Some places have a lopsided interpretation of the restructuring of rural production, thinking it only means increasing financial income, to the extent that mere mention of restructuring makes them think of reducing the area planted in grain. In some places the grain acreage has been reduced too much, grain fields have been dug up to make fish ponds; in a few isolated places there is even abandoned farmland. This deserves the very serious consideration of leaders at every level.

II

Grain production is an extremely important economic and political problem.

Comrade Mao Zedong told us again and again: "The whole party should attach great importance to agriculture. Agriculture has an enormous influence on the national economy and the people's standard of living. Beware, it is dangerous to ignore grain." "The people regard food as their god." Marx said, "Food production is the lifeline of the diredt producers and the primary condition for all production."

Agriculture is the foundation of the national economy, and grain is the foundation of the foundation. Agriculture has a very large share of China's national economy. Anhui is a primarily agricultural province. The total agricultural output value is about half of the total output value for industry and agriculture in Anhui; grain production has a major position within agriculture. History and reality tell us that the abundance of shortage of grain clearly influences the speed of development of the national economy and the people's lives; the ability of the national economy to move ahead systematically and with the right proportions in directly connected to the level of grain production. If grain production is stable, the whole economy can prosper. If there is not enough grain, the market and price are not stable, each section of the national economy will lose equilibrium, and industry and other enterprises will always be in danger of losing ground, even though for the moment there may be relatively fast development.

Grain is the foundation stone for the development of agriculture itself. "Without agriculture there is no stability" in fact should be "without grain there is no stability." Stalin once stated: "The grain problem is the fundamental link in the agricultural system, and is the key to solving all other problems in agriculture." Our policy is to "never neglect grain production, actively develop a diversified economy." Only after peasants meet their basic needs can they engage in other production and open up new roads to production. Only when there is a lot of grain can we focus on the depth and breadth of production. At present, while developing the second step of rural reforms, the most important material foundation giving us the conditions and possibility of restructure production is the slight surplus of grain. Otherwise it would be very difficult for forestry, animal husbandry, and aquaculture to keep up and very difficult for village industry, commerce, and sideline production to develop; it would also be impossible to proceed smoothly with returning farmland to lake and forest and maintaining an agricultural ecological balance.

Grain is also an important resource in the preparation against war and famine. China's ancient politicians and military specialists all understood that "the key to eliminating bandits is accumulating grain." Every year over China's vast area there are some areas which meet with natural disaster. Anhui is located between the Chang Jiang and the Huai He, and is frequently afflicted by floods and droughts; both the state and peasants should certainly keep sufficien grain stores. Of the numerous social upheavals in history, aside from political factors, an important cause if famine and grain shortages. This also deserves serious thought. The lessons of history cannot be forgotten.

III

The CPC Central Committee's suggestions for the Seventh 5-Year Plan, passed by the CPC National Congress, state: "We must adopt effective policies and measures so that we continue to maintain steady increased yields of grain. Places suited to grain production must certainly plant grain, work hard to increase per-unit yields, increase varieties, and raise quality." This is one of our long-term strategic plans. Based on the real situation in Anhui, from now on we must direct a great deal of effort to improving per-unit yields and quality, adopt more forceful policies and technical measures, and ensure steady increased yields of grain. The total output next year should reach 45 billion jin; by the end of the Seventh 5-Year Plan the average amount of grain per capita should be more than 1,000 jin.

Grain production is something for which Anhui is ideally suited. We should continuously educate the great masses of peasants to view grain production from the perspective of the entire situation and the overall economic results; they should correctly recognize that the current surplus is a relative one due to the low level. Taken as a whole, our level of grain consumption is not high and there is little variety of strains; furthermore, in the long run, if we wish animal husbandry, aquaculture, rural township enterprises, food industry, and light industry to make breakthroughs in development, the current level of an average of over 800 jin per capita is far from enough; we absolutely cannot treat the problem lightly.

There is definitely blindness and other problems in those areas which have reduced grain acreages too quickly and developed certain cash crops too suddenly. We must take the matter seriously and give them guidance, but at the same time we should not treat the problem too seriously, shaking confidence inthe second step of rural reforms; we certainly should continue to move forward along the path of restructuring. With the steady growth of grain production as a premise, we should actively and securely carry out restructuring, going one step at a time, cautiously formulating policy in an unimpassioned way that will elicit truth from facts. In the past few years, grain acreage in Anhui should be kept steady at about 90 million mu; at the same time we should increase the multiple-crop index so as to expand the area planted in cash crops and develop a diversified economy.

At present, the quality of grain varieties is rather low and is unable to meet the needs of people for their daily life and the needs of the international market. We should work hard at selective breeding, promoting high-yielding, high-quality, highly resistant outstanding varieties and quickly eliminating varieties inferior in quality; we should perfect a system of breeding good varieties and formulate plans for standardizing cultivation techniques; we should replace processing equipment and improve the technological process, gradually set up modernized granaries, research and implement safe and effective storage technology, and increase drying equipment; at the same time we should set up and perfect methods for monitoring grain, storing and processing grain according to varieties and grades.

In order to encourage the peasants to plant more and better grain, on a foundation of thorough investigation and research, we should formulate appropriate policies and measures to encourage the peasants' enthusiasm for planting grain, e.g., reduce the burdens of grain-growing households, use special benefits to encourage large grain-growing households to take over responsibility for land and practice specialized production; actively develop rural township enterprises, use industry to subsidize agriculture, and support grain production; as soon as possible formulate and implement policies whereby quality sets the price--high prices for high quality--thus using economic methods to improve grain quality; further implement the policy of procurement by contract, so that after peasants have honored the procurement contract they can freely take their grain to the market and freely buy and sell it; if the market price is low, grain departments must be sure to still purchase grain freely according to the protection price--in order to protect the interests of the grain-growing peasants, they may not refuse to guy grain or deduct from the payment.

Lively circulation should be seen as the starting point for furthering the steady growth in grain production, further solving the difficulty in selling grain. We should develop a number of circulation channels for grain: state-run grain departments should really play the role of the main channel and think of ways to help grain-growing peasants to find markets for their grain, as well as encouraging millions of peasants to enter the field of circulation. We should accelerate development of processing grain into feed and food, promoting the production and conversion of grain. Every department and industry connected with grain production should focus on grain production, and strive to provide good service. Leaders at every level should change their style of leadership and work methods, further stressing grain production, actively and securely bringing the structure of rural production in Anhui to a new stage, and promoting socialist modernization.

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ANHUI

BRIEFS

RURAL TASKS FOR 1986--The specific targets for Anhui's agricultural production in 1986 are: Grain output should reach 44 billion jin, oil crops should reach 3 billion jin, cotton should reach 3.5 million dan, the province should afforest 1.5 million mu, town and township output value should reach 12 billion yuan, total agricultural output value should exceed 20 billion yuan, and per capita peasant income should increase by 50 yuan. [Summary] [Hefei ANHUI RIBAO in Chinese 3 Feb 86 p 1]

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BEIJING

POLICY AFTER DEREGULATION OF PORK PROCUREMENT

Beijing ZHONGGUO CUNZHEN BAIYE XINXI BAO in Chinese 14 Nov 85 p 1

[Article by "respondible editor" Zhao Lianzhi [6392 6647 1807]: "Counter-measures Following Elimination of Assigned Purchases for Pigs"]

[Text] After the elimination of assigned purchases for pigs and implementation of new measures for guidance type negotiated purchases and negotiated sales, inventories of pigs in China rose and markets were invigorated. Rural trade markets in many areas are competing to sell pork and there has been an obvious increase in the amount of fresh meat supplies. In addition, prices basically have not surpassed predicted levels and various price differentials are beginning to be regulated automatically. The overall situation is a good one. To push reforms forward, however, the next step should be to solve three problems:

The first is the seasonal contradiction between pig production and pork sales. The peak slaughter season corresponds to the slow period in sales. There has been an acute contradiction in pork circulation for a long time, which is one of the direct causes of the difficulties peasants in many areas have had in selling pigs in recent years. It should, therefore, be solved from both the production and circulation areas: (1) The decentralized pattern of pig raising through household sideline production determines the seasonality of inventory replacement and slaughter. Moreover, there are problems in improvement of the management of pig raising and in shortening their growing periods. For this reason, we must change these traditional production methods and strive to assist and encourage the peasants to develop specialized raising households, contractual raising farms, and so on. (2) Improve the management of pig raising and switch from seasonal to year-round parturition. (3) Open up seasonal price differentials and encourage storage (commercial storage and production storage), processing, and canning.

Second, there is a structural contradiction between meat supply and consumption. Supplies of lean meat cannot meet demand and we cannot deal with overstocks of fat meat. This contradiction also cannot be solved merely by deregulating pork prices. Basically speaking, this involves improvement of pig varieties and encouraging the peasants to raise lean pigs. According to analysis, there are four reasons behind the delay in development of lean pigs: (1) Improvement of varieties cannot keep pace, which has led to

extreme shortages in pig varieties; (2) Feed supplies cannot keep pace and several problems exist in the areas of mixing and supply services; (3) Management of pig raising cannot keep pace. Trial raising stages may be successful but after being distributed to households they raise fat pigs; (4) Backward grade inspection methods in purchasing work and the poor quality of purchasing personnel. Disputes often arise during purchasing when setting grades, which has affected the peasants' enthusiasm to change the types of pigs. The current method of setting prices according to grades for commodity pigs still encourages the peasants to raise large, fat pigs. This means that this problem cannot be solved in the short run. Two things can be done now, however: First, in purchasing, "setting grades according to the meat output rate and setting prices according to net weight" should be changed to "setting grades according to net weight and setting grades according to the meat output rate," and "setting grades according to optimum net weight." The optimum net weight should be determined in accordance with local conditions and cannot be set indiscriminately. In Jiangsu, for example, it can be set at 130 to 150 jin, and at 180 to 200 jin in the northeast. Price differentials for each grade should be opened up as appropriate. I propose that the 0.07 yuan per jin higher purchase price paid for lean pigs compared with regular pigs be increased to 0.15 yuan. Second, in production, I propose that commodity pig base areas be established. Animal husbandry, commercial and management departments should match up closely with base area construction and change the results quickly for pig types in base area counties. According to a survey in Henan, lean pigs accounted for only 10 percent of the 50,000 pigs purchased in the province. The figure for 11 base-area counties matched with foreign trade departments was 50 percent.

Third, there are multiple circulation channels and the guiding role of state run enterprises. After purchase prices for pigs were deregulated, there were obvious drops in the purchase and sales prices of state run food product departments in most regions. Competition is weak and markets at the county level and below basically have become dominated by individual merchants. The failure to open up channels in some large and medium sized cities means that some individual merchants do not dare to go into the cities, so there has been no obvious improvement in the supply and demand situation. What should be done about circulation channels for pigs in the future? Many methods should be used to encourage individual slaughtering households to go to the cities. Individual households have three fears concerning going to the cities at present: excessive regulation, excessive fee collection, and an inability to handle the meat that is left over in the cities. For this reason, I propose that they be given specific preferential treatment in fee collection and that disease inspection work be improved.

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BEIJING

EGGS, POULTRY PRODUCTION, SALES ASSESSED

Egg, Poultry Supply, Prices

Beijing ZHONGGUO CUNZHEN BAIYEXINXI BAO in Chinese 29 Sep 85 p 1

[Article by Zhang Zheng [1728 2398]: "Estimate of Poultry and Egg Production and Sales for the End of This Year and the Early Part of Next Year; Supply in Most Provinces Will Tighten Up While Prices Will Rise"]

[Text] Recently, relevant departments held a meeting in Zhenjiang on the distribution of pork and egg products throughout the country. The situation regarding the supply and demand of poultry and egg products for the period from late 1985 to early 1986 has been estimated as follows:

1. The Supply of Poultry and Eggs in Most Provinces Will Be Fairly Tight: Judging from the supply channels of the state-managed food departments, we know that because of the decrease in the reserve stock of eggs, their supply will also be lowered. By the end of August 1985, the reserve stock of eggs in the whole country was only 246.51 million jin, compared with 326.95 million jin during the same period in 1984. Moreover, the egg supply was already a serious concern in 1984, and now the reserve stock of 1985 has fallen 24.6 percent in comparison with the same period in 1984. In some provinces, the egg reserve stock in 1985 had fallen when compared with the same period in 1984. These provinces include Henan with a drop of 25 percent in its reserve stock of commercial eggs, 42 percent in Hebei, and 57.2 percent in Shandong Province. Thus, the shortage of supply will be sharpened even more during the season of slow growth. As for other channels of supply, many provinces during 1985 have lowered their stock of poultry, and this would naturally lead to a diminished supply. This situation was caused by "the difficulty of selling eggs" in 1985 when there was a season of particularly fast production of eggs. In Zhejiang Province, the hatched chickens and ducklings in spring of 1985 totaled only one-half the quantity of the year before, with a drop between 2.5 and 3 million in the province's total reserve duck stock when compared with 1984. By the end of June the reserve chicken stock in Shaanxi Province had fallen 25 percent compared with 1984. Moreover, it has been estimated that by the end of 1985 in the same province, the supply will fall 40 percent compared with the beginning of the year. In Shandong Province, hatched poultry decreased by 50 million, 21 percent compared with 1984; by the end of May, 40 percent of all the hens in the province had been killed.

2. A Rise in Prices of Poultry and Eggs Will Prevail Everywhere: Because of the shortage in supply resources, since reserve stocks of both poultry and eggs in some provinces has fallen in comparison with 1984, there will be an inevitable rise in prices of both poultry and eggs. At the same time, it has also been estimated that even in those provinces where there was an increase in poultry reserve stocks in 1985 in comparison with 1984 (for example, increase of 8.8 percent in Fujian Province, 13.4 percent in Henan, and 41 percent in Jiangsu), the rise in prices of both poultry and eggs when compared with 1984 will be considerable. This is because: 1) there was a slow growth season in eggs at the beginning of 1984 with the hens producing eggs at a relatively low rate; 2) with the rise in living standards among the farmers, their own increased consumption of eggs led to a diminished supply at the market; 3) with the comparatively greater rise in prices of pork, beef, mutton, and lamb, the people have increasingly turned toward poultry and eggs for their purchases; 4) a sudden increase in consumption during the New Year and the spring holidays; 5) the gradual increase in the price of poultry feed, which is likely to continue, has led to increased cost in raising chickens; 6) price increases caused by fulfilling demands in other provinces because products will flow from those provinces which have more supply to others with less. According to estimates by relevant departments, by the end of 1985, the price of eggs from state-run facilities in Beijing will rise to more than 1.60 yuan per jin, 1.80 yuan in Tianjin, and in Sichuan over 2.00 yuan per 10 eggs.

Analysis of Egg Market

Beijing ZHONGGUO CUNZHEN BAIYEXINXI BAO in Chinese 29 Sep 85 p 1

[Article by Xiao Rong [5135 1369]: "Analysis of Nationwide Poultry and Egg Market for Last Half of Year; Volume of State Procurement Decreases, Volume Traded at Rural Fairs Grows; Egg Prices Unstable"]

[Text] After the changes made in the policy of unified procurement and sales in 1985, some new trends have appeared in the nationwide poultry and eggs market. At the same time, new problems have also arisen. If these new problems are not dealt with, then not only will the market supply of poultry be adversely affected, but the development of the poultry-raising industry will be hindered.

1. Volume of Fresh Eggs Procured by State-Run Commercial Sector Has Decreased: During the first half of 1985, the quantities of eggs purchased by various commercial sectors throughout the country fell. According to the latest figures made available by the Ministry of Commerce, the quantity of eggs procured nationwide from January to August 1985 was 1,041,630,000 jin, a drop of 26.78 percent compared with the same period in 1984. In Shandong Province, 31.33 million jin of eggs were procured during the first half of the same year, a drop of 55 percent; in Henan Province, the procured amount for the same period was 77.71 million jin, a drop of 38.6 percent; and in Guangdong Province, the drop was 355.4 percent.

The reasons for the drop in the quantity of the procured eggs were: a) The unified procurement and sales system has been changed to multichannel management. b) In the matter of procurement prices, the commercial sections are often at odds with the producers. Take Beijing as an example. In June 1985, because the procurement price was low, many poultry producers sent their eggs outside the city in order to sell them at higher prices. As a result, there was a temporary shortage of eggs in Beijing itself. In 2 weeks 4.7 million jin of eggs were sent out. c) Because the system of state subsidies has been abolished, the commercial sector lacks positive management force.

2. Pricing Instability Caused by Proportionately Large-Scale Commercial Transactions of Agricultural Products: Because of the decreased amount that was being procured by the state-managed commercial sector, much larger quantities of eggs have been sent to the market to be sold commercially. During the first season of 1985, the quantities of poultry and eggs sold in the large and medium-sized urban markets throughout the country increased 50 to 100 percent when compared with the same period in 1984. At the same time, the quantities of poultry and eggs purchased by the people in these markets also increased 20 to 40 percent in comparison with 1984. During the first half of 1985, the quantity of eggs sold in the markets increased 57 percent in comparison with the same period in 1984.

The level of pricing of eggs that are to be sold commercially at markets is completely controlled by the pricing rhythm. During the period of fast egg production, when egg prices keep falling, the price might be as low as below 0.80 yuan in some provinces. Immediately following this period of "difficulty in selling eggs," there might be a season of slow egg production leading, therefore, to continual rises in egg prices. The fluctuation of egg prices in agricultural markets thus actively influences not only the producers themselves, but benefits to consumers may also be adversely affected. Under these circumstances, the state-managed commercial sector should make use of its position in appropriate ways (such as, storing, transporting, or processing eggs), to stabilize both the market for and the price of eggs. Judging from what happened during the first half of 1985, the state-managed commercial sector did not fully utilize its leadership position.

Market Price Changes, Poultry Production

Beijing ZHONGGUO CUNZHEN BAIYEXINXI BAO in Chinese 29 Sep 85 p 1

[Article by Dan Changhao [0830 1504 3185] of Beijing Agricultural College]

[Text] During the spring of 1985, the market prices of eggs in many areas had fallen, while at the same time, feed prices rose. As a result, many chicken-raising households did not allow their chickens to mature; instead they slaughtered their egg-producing hens prematurely, thus lowering the total quantity of hatched chickens for that season. However, during the period from late summer to early autumn in the same year, egg prices rose, exceeding levels of the same period in 1984. This situation was caused in general by a number of factors:

1. Simultaneous Concentration of Egg Production and Poultry Increases: During the last few years, the relatively higher profit margin in poultry raising led to increases in the number of poultry that were raised by state-run, collective, or individual units. Because of the seasonal nature of egg production, the period of growth is concentrated during spring, and since eggs cannot be stored for long periods, they had to be sold at lower prices by their producers.

2. State-Run Shops No Longer Sell Eggs: With the pricing reform that was instituted in the large and medium-sized cities during April and May 1985, the prices of nonstaple foods and feed have risen. As a result, many state-run shops in these cities stopped selling eggs for fear of incurring losses, which led to a temporary disjuncture in circulation.

3. Consumption Patterns Caused by Seasonal Factors and the Psychology of Consumers: During the summer, most people incline toward less heavy foods, thus leading to a decline in egg consumption.

Thus, from now on development should be carried out along these lines:

1. The Demand in Society for Poultry Products Will be Increasing Annually: Therefore poultry raising should be developed not only for the availability of eggs but also for the fowl themselves.

2. As Competition in the Poultry Industry Increases, Profit Margins Will Shrink: The general profit margin of poultry raising abroad is around 10 percent. Because of the rise in grain prices, feed prices will also increase. Therefore, new technology should be used to reduce production costs on the one hand, and also to expand the scale of production. Only by increasing sales of these products with their low profit margins, will poultry producers be able to maintain a competitiveness.

3. Prices Will Become More Reasonable as the Supply of Poultry Used for Breeding Stabilizes: Because of the lack of structure in the breeding of poultry, the lag in development of the transportation system, and the mixing of poultry of different species, there is still a tendency to use commercial stock instead of relying on self-breeding. In addition, an emphasis on the blind importance of poultry species might cause neglect in their care and feeding. However, with the introduction of more poultry species and increases in the raising of poultry for breeding, the supply of such poultry will become more regular and, therefore, prices will become more reasonable.

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3-D AGRICULTURAL TECHNOLOGY DEVELOPING RAPIDLY

Beijing NONGYE GONGCHENG [AGRICULTURAL ENGINEERING] in Chinese No 6, 5 Dec 86 pp 6-7

[Article by Chen Feitian [7115 7378 1131] of the Fujian Provincial Agricultural Research Center: "Three-Dimensional Agricultural Technology in Fujian Developing Rapidly"]

[Text] When we speak of 3-D agricultural technology, we mean, on the basis of inheriting and carrying on China's excellent agricultural tradition, the wide use of modern agricultural technology to carry out intensive cultivation, making full use of space and light, heat and water resources, and integrating in ingenious ways the cultivation of plants and microorganisms and the rearing of animals. This will set up an ecological system with many commensal species, multilevel cooperation, and multistep cycles, organically uniting the benefits to the ecology, economy, and society so as to find relatively large material yields and the greatest overall benefits.

At present, facing the challenges of the world's new technological revolution, agriculture in Fujian should be revived, agricultural science and technology should make new breakthroughs; to do this we should stress the development of 3-D agricultural technology as an important strategic measure in the revival of Fujian's agriculture. This is because: 1) Fujian is between mountains and the sea, straddling the middle and southern semitropics; there is enough heat and plentiful rain, both coming at the same time, the frost-free period is long and the four seasons are always green, so we should, based on continuing promotion of agricultural traditions such as interplanting and intercropping, actively develop 3-D agricultural technology, improve the light-energy-utilization rate and the land-production rate, so as to take full advantage of Fujian's excellent weather and resources. 2) Fujian has many varied ecosystems and a vast number of different organisms, each with different demands on the environment. They provide ample biological resources for the rational structuring of 3-D agriculture. 3) Fujian has many people, little farmland, and a bountiful labor force, conditions allowing labor-intensive, technology-intensive, high efficiency 3-D agriculture, in which one piece of land or water has many uses, so that the limited amount of land and water can produce even more and better products. 4) The peasant masses in Fujian have the tradition of performing farmwork meticulously and have abundant experience in interplanting, intercropping, symbiosis and mixed animal raising.

From the above, we can see that the development of 3-D agriculture in Fujian is not only necessary, it is also possible. Fujian has stated that it will stress the development of 3-D agricultural technology as the top priority and has called for research in implementing structural models of 3-D agriculture and comprehensive use. Establishing 3-D agricultural technology with Fujian's characteristics is a necessity for doubling production, a necessity for achieving prosperity, and is also a necessity for developing ecological agriculture and scientific agriculture. Fujian's 3-D agricultural technology has the following types:

3-D Use of Space: Based on the different growth characteristics of different species, this is the full use of the "space differences" and "time differences" in their growth processes to, by a variety of reasonable means, form a 3-D production structure composed of many species and many levels.

1. On Farmland, There Are Primarily Four Different Models:

A. Canefield 3-D structural model: While sugarcane is in the seedling stage, interplant soybeans, tomatoes, eggplant, and green manure; in the later stages of sugarcane production, use the rough sugarcane stalks to make frameworks for planting mushrooms, Xianggu mushrooms, muser, and other edible fungi.

B. Sweet potato structural model: When sweet potatoes are seedlings, the utilization rate for the space above ground is rather low; while creating cultivation techniques to achieve "10,000 jin of sweet potatoes," we can practise "3-D triple interplanting in sweet potato fields," which is interplanting both soybeans and peanuts in the sweet potato patches, fully using the space above the ground and improving the light and heat utilization rate.

C. Rice paddy structural model: Peasants in Fujian have long had the tradition of raising fish and growing duckweed in rice paddies and growing beans on the ridges between fields. Since 1983, scientific and technical personnel and peasants in Fujian have ingeniously united all three, creating the paddy rice 3-D structural model for "rice, duckweed, fish and bean" symbiosis. This has reformed the monocultural structure of rice paddies and had a good effect on the farmland ecological system. Usually about 12 percent of 1 mu of land is dug up to make fish holes and channels; the wide and narrow rows of the "two dragons leaving the sea" model are used, which can increase the rice yield by about 10 percent and bring in about 100 jin of fish. In addition, growing beans on the field ridges and growing lotus in the water channels can increase income by several dozen yuan; the total increased net profit for 1 mu can be more than 100 yuan. In this way, the duckweed grown can be both fish bait and fertilizer; the fish can eat weeds and insect pests, and fish manure can fertilize fields; planting beans on the field ridges can both control the field ridge weeds and fully use the space on field ridges; the bean flowers and leaves are also fish feed and the bean stalks can also be used as fertilizer or feed.

D. Farmhouse 3-D structural model: Fully use the space in a narrow and small farmhouse's courtyard, various patches of land, roof, porch, beneath trees, and under the eaves to develop appropriate farmhouse plant and animal production. For example, in developing flower production, the flowers can be distributed in different spaces according to their different characteristics. This both beautifies the environment and increases the economic income. Some homes use the ponds around the house to practice the multilevel comprehensive use of "water, land, and air:" lotus roots are planted under water, fish are raised in the water, duckweed grows on the water, fruits are planted by the pond and flowers under the trees, and finally, in the space above the pond, trellises are built to grow melons. This results in comprehensive benefits.

2. In Mountain Forest Areas There Are Also Principally Four Different Models:

A. Mountain forest 3-D structural model: Develop broadleaf forests and tropical and semitropical commercial forests, principally consisting of fir, pine and bamboo, and create mixed forests of different forest types. At the same time, develop animal grazing in the forest and intercropping and interplanting of forest and crops; integrate trees, shrubs, and grass, and integrate tall, medium, and short. This will provide timber forests with longterm benefits and commercial forests with middle-term benefits, as well as short-term benefits, such as cash crops, animal products, edible fungi, and various famous and expensive medicinal materials. This will achieve the satisfactory results of multiple use of the mountain, using short-term benefits to provide long-term ones, and making full use of the land.

B. Mountain orchard 3-D structural model: The mountains and hills in southern and central Fujian are suited to growing famous fruit trees such as the longan and litchee, which have long life cycles and grow to great heights. In the early period of their growth it is possible to interplant fruit trees, such as peach or plum, which have relatively short life cycles and whose crowns are not very high; then interplant beneath the trees annual plants, such as peanut, soybean, medicinal herbs, vegetables, and green manures. This multilevel 3-D interplanting has a very good effort on improving the orchard cover rate, promoting a dense orchard canopy, avoiding soil erosion, preventing weed growth and improving soil fertility.

C. Coastal sand dune windbreak forest 3-D structural model: Fujian's coastline of more than 3,300 km has many sandy beaches, where the severe damage from blowing sand has made it difficult to grow farm crops. Since planting Casuarina equisetifolia in windbreaks, the ecological environment has been greatly improved. In the Casuarina equisetifolia windbreak networks in Changle (Hunan), Jiangtian, and Wenwusha townships, peasants have planted citrus trees, and among the citrus they have interplanted watermelons, peanuts, soybeans, sweet potatoes, asparagus, and green manure. This both conserves the water and soil and improves the soil fertility, creating the miraculous growth of citrus on sandy beaches.

D. Southern Fujian rubber and tea 3-D structural model: This means planting tea bushes in rubber tree groves. This type of structure increases

the layers of artificial plant cover and the shade coverage rate, reducing the amount of direct solar radiation, lowering the intensity of transpiration, raising the solar energy usage rate, improving the microclimate, and promoting better growth of rubber and tea. Intercropped rubber trees are sturdier and taller than those planted as a monocrop; covered by the rubber grove, the tea germination density is higher, the leaves are large, the nodes are finely spaced, and the quality is good.

3. There Are Two Principal Models of 3-D Breeding in Salt- and Freshwater

A. Freshwater 3-D structural model: This has been a traditional custom in Fujian. It is mainly 3-D raising of fish at different levels, based on the different needs for light and food of different kinds of fish. Usually there are four levels; Moorish idol are raised in the upper level, carp in the middle level, crucian carp in the lower level, and eels, catfish, snails, and crabs in the bottom level. Each kind of fish is raised in certain proportions, so that they can live together, coexist, use each other, and promote each other.

B. Shallow sea 3-D breeding structural model: Coastal fishermen have discovered many multilevel 3-D breeding techniques in their seawater-breeding production, so that one body of water has many uses and the results are improved. For example, Chen Yongshou [7115 3057 1108] in Shajiang Township in Xiapu County has driven piles to set up frameworks for raising laver in shallow seawater; in the upper level of water beneath the frameworks he raises seaweed; in the lower level he raises mussels; from the end he hangs baskets and fine mesh for catching fish. In this way he catches fish, shrimp, and crabs, and also helps fix the seaweed ropes, achieving multiple use of the sea. The per-mu output value can be 3,088 yuan, which is an excellent economic result.

Use of the Food Chain Cycle: The food chain is formed according to the nutritional supply-demand relationships among plants and animals. Starting with the ecological system, it joins together different species and different levels to convert human, livestock, and poultry waste products, crop byproducts, and low-value forage grasses into meat, milk, poultry, and eggs; it uses many biological levels to convert these things into farm products with fairly high economic value. These economic results are much higher than in planting or raising just one product.

1) Crop byproducts (sugarcane tips, rice straw, bean stalks, sweet potato vines, etc) cyclical-use model: For example, in Putian and Xianyou counties, sugarcane tips, bagasse, and molasses are used to raise milk cows; the cow manure is used to raise mushrooms; the mushroom soil is returned to the canefields: this recycling, which fully uses the waste of byproducts, allows the close integration and comprehensive development of farming, animal husbandry, and sideline production; it achieves a triple level of results, benefiting th environment, economy, and society.

2) Livestock and poultry manure cyclical-use model: The young peasant Zhang Xiping [1728 1585 1627] of Qingyuan Township in Shouning County has contracted for 3 mu of fish ponds and a livestock and poultry farm beside

the ponds. Upstairs he raises worms and flies, downstairs he raises chickens and pigs; on the pond he raises ducks, and in the pond he raises fish; beside the pond he grows grapes and other fruits. In this way, the chicken and pig manure are used to raise the worms and flies; the worms and fly maggots are fed to chickens and ducks; pigs eat the poultry manure; fish eat the pig manure; all the fish manure from the pond is recycled; and mud from the pond is used to fertilize the fruit trees. This food-chain-cycle technology is easy to operate, there is little investment, it saves large amounts of refined feed, and the economic results are quite high; it deserves to be widely promoted.

Compound 3-D Use Model: This pays attention both to multilevel use of space and to the rational cyclical use of the food chain among different species. The two are tightly linked, forming an organic 3-D structure. For example, the peasant Zhang Zhanghe [1728 4545 3109] of Suian Township in Zhangpu County transformed 1.7 mu of paddy field, creating a banana, melon, vegetable, and fish "quartet." His method was to dig 4 fish-raising channels, 1.3 meters wide and 40 meters long, among the paddy fields, in which he released Tilapia mossambia, silver carp, grass carp, and lonjian [7893 4628] fry; on the surface of the water he grows water spinach; in the patches he has planted 250 banana trees, interplanted with vegetables or vegetable seedlings; beside the channels and patches he has put up frameworks for growing rag gourd. Currently, the bananas are growing very well and the other products are growing in balance; this has resulted in an economic income more than 10-fold what he would have gotten from just growing paddy rice.

Although there have been fairly major developments in 3-D agricultural technology in Fujian, it is still at a starting level. The development has been uneven, the structure is imperfect, the research is not thorough enough, and the results and potential are still very far from being achieved. Therefore, we still need to further organize, research, and explore. We must rely on the initiative and creativity of the peasants and make full use of their intelligence and wisdom; we must also promptly summarize the many tried-and-true methods and preliminary 3-D structural models which have appeared, systematically studying them so as to make them more systematic, scientific, and rational, and demonstrating and promoting them in the field. This will make the "small 3-D," "small choruses" and "small cycles" of individual households become "big 3-D," "big choruses" and big cycles" on a larger scale and at a higher level.

Three-D agricultural technology enters into many fields of natural, social, and economic science. Therefore, we must depend on and organize the scientific research and technical forces in each branch of science to carry out research specific to each area, uniting these forces to achieve our goals. Three-D agricultural technology is a complex comprehensive new technology. At present, the largest limiting factors are the low rural educational level and the lack of specialized scientific and technical personnel--in many newly emerging areas there are virtually none. The most pressing matter is the rapid training of technical personnel specializing in: forestry, animal husbandry and sideline production, the development and use of agricultural ecology and agricultural resources, processing of agricultural

products, horticulture and flowers, and cultivation of edible fungi; this will meet the needs of rapidly developing 3-D agricultural technology. We must certainly do a good job of researching and promoting 3-D agricultural technology, establishing and developing a 3-D agricultural technology system with Fujian's characteristics.

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CIRCULAR ISSUED ON SPRING FARMWORK

HK251719 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 22 Feb 86

[Text] After the Spring Festival, preparations for spring farmwork have begun throughout the province. In order to properly carry out spring farming and sowing in the right season, the provincial agriculture committee issued a circular on 14 February, calling on all localities to make early preparations for spring farmwork.

1. In accordance with the spirit of this year's Document No 1 from the central leadership and the guiding thinking of the provincial CPC committee and government, that is, maintaining stability on the whole while making small readjustments, the province must first stabilize the existing grain-growing areas. All localities must examine and implement the plan for growing early rice, the grain-growing area in particular, so as to lay down a good foundation for this year's grain increase.

2. It is necessary to grasp rounding-off work and coordination projects in irrigation and water conservancy and to check and accept in an all round way, water conservancy projects carried out from last year's winter to this year's spring. Unfinished projects must be completed as soon as possible. It is particularly necessary to grasp the construction of those projects which can yield economic results in the current year or the current farming season, so that they can play their role at an early date. According to weather forecasts a cold spring may occur in the province. All localities must make good preparations for preventing and fighting the cold spring so as to ensure the smooth progress of spring farming and sowing.

3. In cooperation with the departments concerned, all localities must properly allocate means of agricultural production as soon as possible, particularly seeds, chemical fertilizer, pesticide, and plastic film for agricultural use. Under the circumstance of shortage of chemical fertilizer this year, all localities must strive to import more chemical fertilizer and mobilize the masses to collect as much manure as possible.

4. It is necessary to open all avenues for developing production. People in mountainous areas must develop afforestation and grow fruits, and people in coastal areas must develop aquatic breeding in a planned way and step by step.

5. It is necessary to strengthen leadership over spring farmwork. All localities must organize cadres to go deep into grassroots to learn about the implementation of this year's central leadership Document No 1 and spring farming and sowing; to promptly solve existing problems; and to sum up and promote new experiences. Relevant units of the province's agricultural departments will soon dispatch work teams to all localities.

/6662
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DECISION ON ACCELERATING AFFORESTATION

Guangzhou NANFANG RIBAO in Chinese 2 Dec 85 pp 1, 2

[Article: "Decision of the Guangdong CPC Committee and Guangdong Provincial People's Government on Accelerating Afforestation Throughout the Province (19 November 1985)"]

[Text] To achieve the strategic task of afforesting Guangdong in 10 years, primary leaders in CPC committees and the government at all levels must focus on the question themselves. Beginning in 1986, we must afforest 10 million mu each year in addition to sealing off mountain passes for cultivation of forests and strive to increase the afforested area in Guangdong from the present 80 million mu to 150 million mu within 10 years, to increase reserves from 220 million cubic meters to 360 million cubic meters, and to increase the forest coverage rate from 26.7 percent to 47.4 percent. Conscientious plans should be made in accordance with local conditions.

The Guangdong Province CPC Committee and Guangdong Provincial People's Government issued a decision on 19 November concerning acceleration of afforestation throughout the province. The text of the decision is as follows:

Afforestation of the Chinese motherland is a magnificent enterprise to create wealth for our descendants and a basic national policy. Moving as quickly as possible to afforest Guangdong and establish an excellent natural environment is an urgent and strategic task for guaranteeing stable and high output in agriculture and for promoting construction of material and spiritual civilization. It also is a duty-bound historical imperative placed upon us by the party and the people.

Since the 3d Plenum of the 11th CPC Central Committee, through adherence to the CPC Central Committee Document No 1 and the "Forestry Law," Guangdong developed the "three determinations" (specifying forest rights, delineating private hillsides, and determining production responsibility systems) and a new situation appeared in afforestation work. The area afforested each year in Guangdong over the last 2 years has reached 10 million mu, and compulsory afforestation has grown year after year. Quality has continued to improve, the amount of forest cutting has been controlled, the timber market has been enlivened, the contradiction between supply and demand has been alleviated, and the income of foresters has increased.

There still are some prominent problems in afforestation at present, however: One is that some comrades do not have a serious understanding of the great strategic significance of afforestation and have not placed afforestation in an important position. The second is that the phenomenon of uncontrolled cutting and clearing has not been effectively prevented, management of timber markets is rather disorganized, some have taken opportunities to engage in covert unified purchasing, fees and fines are collected in a chaotic manner, and the interests of the masses have been damaged. The third is that forest resources have declined and remain in a state of excessive cutting, and there have been reductions in afforested area and forest reserves. Guangdong also has 58 million mu of barren hillsides suited to forests and a large amount of wasteland. The "four alongsides" have not been afforested and many areas have failed to build up farmland tree networks and coastal shelter forests.

To adapt to the needs of the four modernizations, accelerate the pace of afforestation, and afforest Guangdong as quickly as possible, we are making the following special decisions:

I. Strengthen Leadership, Mobilize the Entire Province

To complete the strategic task of afforesting all of Guangdong within 10 years, party committees and governments at all levels should strengthen leadership, primary leaders should take a personel interest, and responsible cadres should practice specialized administration. Party committees and governments should treat afforestation as the order of the day, carry out research and investigations once or twice each year, and focus on its completion. Survey research should be strengthened and there should be guidance by categories to assure that all principles and policies related to afforestation are implemented thoroughly. Afforestation committees as well as forest and park organs should be perfected and given a full complement of personnel to permit each to perform their functions to the fullest. The CPC Central Committee and State Council pointed out quite awhile ago that: "The task of planting trees and grass to afforest the motherland should be placed on the shoulders of CPC committees and governments at all levels and on the leading cadres of all units. Starting now, all leading cadres in the party and government at all levels and in all areas should lead the way in planting trees and grass and they should conform to state decisions to focus on this several times each year to achieve a true solution to the problems that exist in their work and guarantee the completion or surpassing of the quality and quantity aspects of afforestation tasks within their own regions and units. This should be treated as a system and become part of cadre examination." We certainly must adhere to the spirit of this direction. Afforestation contractual responsibility for cadres should be established at the county (city), district and township levels. Praise and awards should be given to those with obvious achievements in afforestation, and leadership responsibility should be sought out for those who delay or do not complete afforestation. Leaders who fail to prevent uncontrolled cutting and clearing or arson and who neglect their duties and create serious losses should be

dealt with severely. All levels of government should provide the necessary manpower, materials and finances needed for afforestation to solve problems in afforestation as quickly as possible.

To accelerate afforestation of Guangdong as quickly as possible, the entire province should undertake intensive and lasting propaganda and education to mobilize the masses so that all the people in Guangdong understand that everyone is responsible for afforestation, that they participate actively in afforestation, compulsory afforestation, planting commemorative trees and forests and other such activities, and that they voluntarily make a contribution to speeding up afforestation in Guangdong.

II. Be Conscientious in Making Good Plans and Strive To Achieve Basic Afforestation of Barren Hillsides and Wasteland Suited to Forests and Areas That Can Be Afforested Throughout Guangdong Within 10 Years

Guangdong's primary afforestation tasks during the Seventh 5-Year Plan are as follows: Mountainous regions should afforest at least 50 percent of barren hillsides and wasteland that is suited to forests but which has not yet been afforested. Regions with serious water loss and soil erosion problems should achieve basic control of at least 60 percent of collapsed hillsides and implement comprehensive sealing off of mountain passes for forest cultivation. Hilly regions should plant trees and orchards on at least 70 percent of the barren hillsides and wasteland suited to the planting of trees and orchards. Plains and coastal regions should achieve afforested networks on at least 80 percent of the barren hillsides suitable for forests and on beaches, levees and the "four alongsides." Those counties with few barren hillsides and little wasteland should complete their afforestation tasks within the next 2 to 3 years. In the cities, trees, orchards, grass and flowers should be planted in the appropriate areas to achieve afforestation according to local conditions. The concrete requirements are: beginning in 1986, 10 million mu must be afforested each year and, in addition to the sealing off of mountain passes for cultivating forests, we should strive to increase the afforested area in Guangdong from the present 80 million mu to 150 million mu, to increase reserves from 210 million cubic meters to 360 million cubic meters, and to increase the forest coverage rate from 26.7 to 47.4 percent. All areas must be conscientious in making good plans according to these requirements and adapt to local conditions according to the natural conditions and actual situation in their own areas.

Mountainous regions, especially high and remote mountainous regions, mainly should use aerial seeding and the sealing off of mountain passes for forest cultivation. In addition, the focus should be placed on developing artificial afforestation and adaptation to local conditions for planting trees, bamboo, fruit trees, tea plants, medicinal plants and palm trees while striving to develop economic diversification, integrate strong and weak points, and use the weak points to develop the strong ones. Use aerial seeding, closure of areas, management and afforestation to build up a forest structure that focuses on commercial forests and economic forests. Regions with hydropower should strive to develop small-scale hydropower. Areas with water loss and soil erosion should practice comprehensive control to integrate trees, bushes and

grass, to integrate water and soil conservation forests, commercial forests and economic forests and focus on biological control projects centered on the planting of trees and grass.

Hilly areas and plains should focus on artificial plantings of fuel forests and economic forests and improve economic results to plant trees, bamboo, fruit trees, rubber plants, sunflowers, medicinal plants, grass and flowers according to local conditions. Coastal areas and Hainan Island should focus on shelter forests and develop plants that grow in sandy beaches as appropriate to consolidate the sand and soil.

The focus in large cities, medium and small towns, and scenic tourism regions should be on park development. Afforestation and beautification should be achieved during the Seventh 5-Year Plan to create an excellent working and living environment for the residents.

Rural villages should afforest "wind and water forests." They should afforest the barren hillsides and wasteland around their village within 3 to 5 years and achieve wind resistance and water protection forests for each village.

Schools should afforest school parks to afforest and beautify upper, middle and elementary schools. Schools with the proper conditions should make rational distributions of tree and grass planting tasks when new students enroll to assign responsibility for planting and survival and form a system.

All departments, especially railway, highway, shipping, hydropower, reclamation, coal, metallurgical and petroleum departments as well as the military and others should make good plans and collect their own special funds to afforest special purpose forests and to achieve total afforestation of barren hillsides and wasteland suited to forests and the "four alongsides" within the scope of their departmental jurisdiction within 3 to 5 years.

In addition, all of society should be mobilized to develop activities to plant commemorative forests, advocate the planting of children's forests, young people's forests, militia forests, [military] camp region forests, March 8 [International Working Women's Day] forests, school parks and various other types of forests.

Afforestation should be concerned with quantity and even more with quality, afforesting an area and then completing it, and prevent precipitous action and formalism.

III. Observe the Forest Law, Further Implement Forestry Policies

The "Forest Law" is a law for developing forestry in China, accelerating afforestation of our territory and for creating wealth for future generations, and it protects the legal rights of the state, collectives and individuals engaged in forestry. If we wish to accelerate the pace of afforestation in China, we must strive to do propaganda and implement the Forest Law so that the cadres and masses know about the law, understand the law and respect the law and

so that they are resolute in controlling forests according to law. Timely punishment should be given to those violators who destroy forests.

Disputes over mountainous forests that are not resolved in the "three determinations" for forests should continue to be addressed. In places where private hillsides have been allocated in an overly scattered fashion, there should be appropriate readjustment under conditions of voluntarism and mutual benefits to concentrate and join areas and facilitate administration. People's governments in all counties should work quickly to issue private hillside permits to peasant households. Private hillsides should be afforested quickly within 2 or 3 years. In those cases where afforestation has not been carried out within the allocated time, they should revert to the collectives for other arrangements. Delineation of the area of private hillsides can be done in accordance with the principle of favoring the development of production, and relaxed further on the original foundation in accordance with the requests of the masses. Contractual responsibility systems should be perfected further for afforestation, forest cultivation and forest protection, with clear stipulation of responsibilities, rights and benefits to guarantee the legal rights of mountain forest managers.

Afforestation should be an important component of urban construction. When submitting housing construction plans, urban units also should submit afforestation plans to afforestation commissions and arrange for 1 to 5 percent of total capital construction investments to serve as an afforestation fund (to be used by the unit itself). The actual methods should be studied and determined by urban construction departments and afforestation commissions. Completion of capital construction projects should be accompanied by inspection of afforestation projects.

To prevent water loss and soil erosion, we must prohibit reclamation on hillsides with slopes in excess of 25 degrees. Such hillsides that already have been reclaimed for planting crops should be taken out of cultivation for reversion to forests and pasture.

We must conform conscientiously with the decisions of CPC Central Committee Document No 1 to eliminate unified timber purchases in collective forests, develop timber markets, and carry out negotiated purchases and sales. In addition, we should strengthen management, conform to the principle of "strict management in the mountains, invigoration of the lowlands," and implement certification to limit cutting. With counties and state forests (and bureaus) as the unit, we must set limits on the basis of yearly cutting plans sent down by the provincial government. They only can be reduced, not added to. Legal responsibility should be sought out for anyone who exceeds yearly limits in cutting plans, and deductions for the excess amount should be made for the following year. We must strictly certify cutting and deal with uncertified cutting as destruction of forests. To achieve strict control of forest resource consumption, rural areas should strive to popularize methane and fuel-conserving stoves, and they should work to convert from burning firewood to burning straw and coal as quickly as possible. Towns at the county level and above should strive to make a conversion from firewood to coal burning within 3 to 5 years. Brick and tile kilns, lime kilns, pottery kilns and

processing plants that use wood for fuel should be reorganized and converted to burning straw and coal within a limited period of time. Factories, mines and so on that use wood as a raw material should strive to develop comprehensive utilization, conversion and substitution.

Continue to practice single administration and multiple management of timber. This involves having state forestry administration departments formulate and issue cutting permits, timber passes and voucher passes. Units and individuals that manage timber should hold industry and commerce administration licenses and cannot manage without certification. Personnel without certificates should not be permitted to go into forest regions to purchase timber.

Simplification and reorganization should be carried out for the various fees now collected in forest regions. We must be resolute in correcting the evil practices of uncontrolled price increases, chaotic fee collection, and disorganized fines to guarantee the interests of foresters. In the future, with the exception of continuing to collect Class A forest planting and cultivation funds of 9 yuan per cubic meter and the alteration fund of 10 yuan per cubic meter, the 10-percent raw lumber tax and the 3-percent forest administration and management service fee (the forest administration and management service fee is collected by counties and districts to cover the costs of cutting certificates and pass certificates) as stipulated by the state and province, no additional "local surtaxes," certificate and pass issuing procedure fees," "highway passage and station passage fees" or such should be collected. No midday checkpoint cutting permits or covert unified purchases should be permitted. Buying and selling cutting permits and timber transport passes should not be permitted. Diversion of forest cultivation funds and alteration funds is not permitted. No disorganized fines are permitted. Punishment for violations of the Forest Law should be carried out in strict accordance with the stipulations in the "Provisional Methods for Administrative Punishment for Violations of the Forest Law" formulated by the Ministry of Forestry.

IV. Actively Gather Capital, Continue To Implement Grain Subsidies for Afforestation

Forestry is a public welfare activity. It involves long production cycles, large investments and slow recovery of benefits, so it should receive the concern and assistance of all of society. Governments at all levels should include administrative expenditures for afforestation in financial plans and make proper arrangements. Beginning in 1986, the Guangdong financial administration will set aside specialized item expenditures for afforestation in mountainous areas from the additional capital inputs for mountainous areas, and it will increase the amount of loans for base area afforestation projects. Investments in capital construction in forestry handled by the Guangdong Planning Commission also should be increased on a yearly basis. Annual expenditures on afforestation in cities, prefectures and counties should not be less than 1 to 3 percent of local financial outlays, and forestry loan indices also should account for a certain proportion of bank loans for agriculture. Organizations, departments, districts and townships should take out a certain amount of capital for afforestation. Plains regions and economically

developed regions should make even greater efforts to provide financial and material assistance for afforestation activities.

To stabilize specialized forestry staffs and avoid taking the same disastrous road of forest destruction and reclamation, Guangdong has decided that beginning in 1986, 48 million jin of grain will be the yearly index for unified sales of grain for afforestation and that it will be supplied at comprehensive prices that will be issued jointly by the Guangdong Grain Bureau and the Guangdong Forestry Department at intervals of 5 years.

V. Strive To Develop Forestry Science and Technology and Education in Forestry, Serve To Accelerate the Pace of Afforestation

If we wish to achieve basic afforestation of all wasteland suited to forests in Guangdong and accelerate forestry development, we must strive to develop forestry science and technology and forestry education. Forestry science and technology work should make great efforts to study problems like improvement of varieties and selective breeding, rapid growth and high output, comprehensive utilization, disease and pest prevention and so on, and it should take action to develop new products, popularize new technologies and strengthen research and guidance for all types of economic forests. We should strive to popularize knowledge about forestry production techniques and extend new technologies in forestry, and we should provide scientific advice to the millions of foresters and producing units. Problems should be solved and there should be warm cooperation between forests, specialized forestry and orchard households, and associations to conduct scientific management and improve results.

We must improve conventional and spare-time education in forestry. Existing institutions of higher education in forestry should strive to improve the quality of education and gradually expand student enrollments. Cities, prefectures and counties with the proper conditions should operate forestry polytechnical schools and forestry middle schools. We should take action to create the conditions and adopt multiple layers, channels and forms to train technical backbone forces for basic level production units and do good work in training cadres and employees in forest regions.

All regions and departments must adhere to the stipulations in Guangdong CPC Committee Circular No 45 (1984) and encourage various classes of specialized technical personnel to participate in construction in mountainous areas.

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GRAIN PRODUCTION HITS ALL-TIME HIGH IN HEBEI

Shijiazhuang HEBEI RIBAO in Chinese 13 Nov 85 p 1

[Article by Xie Shiyan [6200 4258 6056] and Bao Yonghui [0545 3057 6540]: "Hebei Grain Production Sets All-Time High, Total Output Could Reach 38.5 Billion Jin"]

[Text] Hebei Province has not forsaken grain production in its readjustment of the production structure. Consequently, there have been bumper crops for 4 successive years. This year it is estimated that total grain output could reach 38.5 billion jin, an all-time record and an increase of 1.1 billion jin over last year.

This year's bumper harvest of grain in Hebei is closely tied to the strong concern for grain production shown by the provincial CCP committee and the provincial government and the find work of relevant departments. In recent years, in line with the readjustment of production, land cultivated in cotton, oil seed and cash crops have continuously increased in Hebei. Some areas on occasion have overlooked grain production, feeling that "if there's money, there is no need to worry about food." In some high-production grain areas, some have gone so far as to suggest that "if we plant rice, others will strike it rich. It isn't worth it." They fail to realize they can plant more grain. Since implementing fixed-quota grain purchase contracts this year, some areas immediately reduced grain cultivation. At the beginning of the year, relevant departments completed a study of 2,000 typical peasant families which showed that areas under grain cultivation in Hebei had been reduced by 3.61 million mu, a level below that of 6 years earlier. This situation attracted serious concern from the Hebei government. Important leading comrades of the provincial government stressed over and over again at conferences that in readjusting the production system, grain production could not be ignored and that leadership needed strengthening. Taking a cue from the provincial government, the Hebei Agriculture Department sponsored two conferences for local agricultural bureau chiefs at which they were told that areas suitable for grain cultivation were expected to place it in a prominent position during the readjustment of the production structure. At the same time, news agencies and radio networks were to step up propaganda concerning grain production. After some painstaking work, grain tillage in Hebei was prevented from decreasing on a large scale and in fact maintained the basic level of last year. That set the stage for this year's bumper crop.

Hebei is paying considerable attention to improving services in regard to grain production. After implementing the grain-purchase contract system and readjusting markets, farmers began demanding more informational and technical services. Adjusting to markets requires prediction of the future, so many farmers base a year's farming schedule on the circumstances of the previous year. Last year Hebei had a surplus of corn. What was to be done this year? Relevant departments went through various channels to obtain information that would help calculate demand for yellow and white corn on the international market. Hebei also improved its dissemination of information, so that farms were told in time that this year cotton was in surplus and that the corn market looked good. Just as expected, land under cotton tillage shrank by 20 percent and corn cultivation, which was expected to shrink by 4 million mu, in the end was reduced only some 900,000 mu. Exportable corn increased by 960 million jin over last year. Hebei has also improved service regarding the distribution of good seed strains. One important reason total output of grain increased by more than 600 million jin this year in Hebei is that a large area changed over to a superior seed. In the past, Cangzhou Prefecture predominantly used Shandong Taishan seeds; this cold-resistant strain is of poor quality, so output was low: it was not fit for growth in Cangzhou. This year they brought in a suitable, high-quality, sold-resistant winter strain from the China Agricultural Science Academy and the Beijing Agricultural Science Academy; this seed has greater resistance to freezing. Consequently, this year grain output increased in that prefecture by 300 million jin over last year. Because Wuqiao County switched to a high-quality seed and because this year's water supply was guaranteed, average wheat productivity per mu reached 520 jin, an increase of 60 jin over last year. Even the Heilong Harbor basin has never exceeded 500 jin of wheat per mu.

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ANALYSIS OF HEBEI'S AGRICULTURAL EXPORTS

Beijing ZHONGGUO CUNZHEN BAIYE XINXI BAO in Chinese 20 Nov 85 p 1

[Article by Zhen Dachen [3914 6671 6591]: "Analysis of Hebei's Agricultural Exports Market; Key Is Raising Quality, Opening Markets"]

[Text] The Hebei Agricultural Products Import and Export Corp. manages the export of commodities classified under the following 10 headings: seed oils, grains, canned food, meat products, aquatic products, egg products, fruit, vegetables, dried fruit, and sundry items. All told there are more than 100 different items. Among the commodities that yearly earn more than $10 million from exports are corn, Chinese chestnuts, pears, shelled peanuts and red beans. Export commodities that yearly earn $5 million or more include sesame, canned items, and live cattle. It is apparent from present circumstances that the sources for these exports are basically secure; the key is to raise quality and develop markets.

Corn: Pure yellow corn is in demand for export; off-color kernels cannot exceed 6 percent. Hebei is scheduled to export 500,000 tons this year, but sources that are up to standards are in short supply, so estimates are that only about 450,000 tons will be supplied. To direct production and guarantee sources, the China Agricultural Products Import and Export Corp. and the Hebei government have decided to establish export bases for corn in the Tangshan, Chengde and Qinhuang island areas.

Chestnuts: These are mainly exported to Japan. Each year around 25,000 tons are exported nationally; Hebei accounts for around 16,000 tons. In the last 2 years, production increased rather quickly and there was a surplus for export especially since domestic sales are not profitable for framers. In the future, therefore, exports to North America and "eastern Europe should be expanded.

Pears: Hebei yearly produces 500,000 tons and exports 40,000 tons. Sources for these exports are not a problem; the main concern is for proper management and quality improvement.

Shelled peanuts: About 15,000 tons a year are exported. The present problem is impure varieties--there are too many small-kernel peanuts. In the future, a large-kernel variety should be developed for export to the European market.

There have been no major breakthroughs in recent years regarding the markets for various other commodities.

Live goats are a Hebei commodity with a future. The Arab countries of the Middle East are the main importers of live goats. Kuwait, Saudi Arabia, the United Arab Emirates, and North Yemen import nearly 20 million head annually, most of them from Australia, Turkey, and Syria. This year it is estimated that China will export 140,000 head, with Hebei contributing about 57,000 head. Although there are many kinds of goats in Hebei, few varieties are up to export standards. This year the 60,000 head exported were not very robust. Export demand is for a short-tailed, fat, cold-weather goat (sheep), and Mongolian goats weighing more than 30 to 35 jun. There is a set ratio between rams and ewes (generally about 4:1). In the future, growth in the goat-herding industry should lean toward fat, short-tailed sheep.

Other than that, shrimp breeding grew rapidly this year, but because bait was insufficient and unrefined, the shrimp failed to meet export standards and domestic sales are not profitable. Thus, in the future better quality feed must be secured to ensure steady growth.

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STATE FARM ADMINISTRATION IMPROVES, OUTPUT UP

Shijiazhuang HEBEI RIBAO in Chinese 15 Nov 85 p 2

[Article by Lu Jizhong [6424 4949 1913]: "Hebei State Farm Administration Department Avoids Empty Rhetoric, Facing Reality; Industrial Output, Profits Up Significantly over Last Year"]

[Text] The Hebei State Farm Administration Department has altered its managerial style to a service orientation. Empty rhetoric has been reduced and reality is being faced in dealing with grassroots levels. Hence, the more than 300 state farm industrial enterprises in Hebei have continued from last year's record doubling of production and profits so that by the end of the third quarter, real total industrial output was valued at more than 170 million yuan, a 20.47-percent increase over the same period last year; profits were 28.91 million yuan, a 27.15-percent increase over last year.

Since Hebei's State Farm Administration Department established a new style of leadership and organization, the main objectives have become service and management. The principles of "seeking truth from facts, facing grassroots realities, promptly responding to enterprise needs and serving the grassroots levels" are being resolutely implemented. The former style of issuing directives "based on superficial knowledge and filled with wild promises regardless of money and materials" has been changed. Starting this year, they have helped smooth out service channels and resolutely maintain and manufacture superior products at the grassroots levels. They have been middlemen regarding production, supplies, and marketing, and have also helped solve energy and natural resource problems; they have organized the technical appraisal of products and provided economic information. The sweetened, powdered whole milk produced at Hebei's Dacaozhuang Farm Dairy Products Plant has been a top-quality product since 1983. At the beginning of August this year, while examining samples, the Hebei Quality-Control Department discovered a sudden decline in quality. They cracked down on quality control and assisted enterprise employees and cadres investigate the problem. The reason was discovered and soon after the quality of the dried milk had surpassed the original provincial standard for quality. Lutai Farm's primary cloth-spinning factory originally had only one machine in production, yet raw material was still somehow insufficient. After establishing more suppliers of resources, stimulating the factory to add three more machines, raw material was more than sufficient and profits had increased greatly. Tanghai [0781 3184] County's four farms constantly were concerned about youth waiting for employment. The Hebei State Farm Industrial Administration Department assisted them by supplying information and within 6 months a glass-fiber plant had been constructed that employed 60 youths waiting for work; the supply cannot meet the demand for the product.

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NEW TOBACCO SALES REGULATIONS ISSUED

Shijiazhuang HEBEI RIBAO in Chinese 28 Oct 85 p 1

[Article: "Hebei Issues New Regulations on Tobacco Monopoly"]

[Text] The Hebei provincial meeting on the tobacco monopoly was held in Shijiazhuang from 13 to 15 October. The meeting conscientiously carried out the national "Tobacco Monopoly Regulations" and "Details of Implementation," studied the suggestions on the tobacco monopoly in Hebei from concerned leading comrades in the provincial government, and summarized and exchanged their experiences; they issued new regulations which will strengthen the management of the tobacco monopoly in Hebeil

1. Conscientiously carry out the national policies on the tobacco monopoly. The national "Tobacco Monopoly Regulations" require that the cigarette market in Hebei be centrally managed by the Hebei Tobacco Corp. The purchase, distribution, allocation, and wholesaling of cigarettes and cigars is to be centrally run by the Tobacco Corp and units designed by it. Before the Tobacco Corp is established, its functions are to be performed by the Sugar, Tobacco, and Liquor Corp no other department, unit, or individual can perform these duties. For those businesses already in operations, the tobacco monopoly organs will, together with the industrial and commercial administrative and management departments, set a final date for wholesale sales, depending on the amount in stock, goods not sold by that date will be sold as retail. From now on, departments, units, or individuals engaged in wholesaling and retailing cigarettes must obtain from the local tobacco monopoly office a tobacco monopoly permit and a purchasing permit; otherwise, they will under no circumstances be allowed to engage in this business.

2. Strictly execute the national cigarette-allocation plans. The cigarette allocation plans are national command-style plans. According to the relevant regulations, the provincial Tobacco Corp centrally distributes and organizes the allocation of cigarettes brought in from other provinces according to the national plan. The regulation of cigars from other provinces is also centrally organized and implemented by the provincial Tobacco Corp. No other department, unit, or individual can purchase, on their own, cigarettes and cigars which are outside the plan from other provinces. From now each locality or city which definitely has special needs must get permission from the provincial Tobacco Corp to buy goods from other provinces. Goods may still be brought in through the original channels from other provinces and cities which span two or

more supply districts, but they cannot be sold to areas within Hebei which are not part of more than one supply district.

3. Strengthen management of the tobacco market. According to the pertinent rules of the "Regulations" and "Details," every level of departments in industrial and commercial administration, banking, and transportation should work together with the tobacco monopoly office to perform well the management, inspection, and monitoring work. In regard to the illegal production and sale of handmade cigarettes, white-paper [standard] cigarettes, and fake brand cigarettes, the purchase and sale of cigarettes and cigars which come from other provinces and are outside of the plan, violations of cigarette-price policies, and operation without a permit by departments, units, and individuals: depending on the weight of the various offenses, offenders will face criticism and education, economic sanctions, revoking of the operating license or the monopoly permit, confiscation of illegal gains, enforced sealing up of the building, even legal punishment by legal organs. When notified by the tobacco monopoly office or the industrial and commercial administrative and management office about departments, units, or individuals who have violated policy or regulations, banks will not give them loans or settle their accounts and will even cancel their bank accounts. For those who receive economic sanctions but do not pay within the prescribed time, or who without reason delay payment of fines, the money will be withheld and deposited when a withholding notice is received from the relevant department. For those who do not have shipping permits or goods-receiving permits or who ship cigarettes in and out of the province not in accordance with the Tobacco Corp's distribution plans, the transportation departments will not allow them to transport the goods and will notify the appropriate departments to deal with the offense. Units and individuals within the tobacco monopoly offices and the industrial and commercial administrative and management offices who make a significant contribution to the conscientious implementation of the "Regulations" and "Details" should be praised or awarded according to the pertinent regulations.

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CHANGES IN PEASANTS' DIET SUMMARIZED

Shijiazhuang HEBEI RIBAO in Chinese 30 Oct 85 p 4

[Article by Hong Wantang [3163 8001 1016] and Zhang Jingyu [1728 2529 3768]: "Simple Discussion of Changes in Peasants' Food Consumption Pattern"]

[Text] In recent years, there has been an obvious improvement in the economic condition and standard of living of peasants in Hebei. In 1979, the per capita daily expenditure on consumption for peasants was only 95 yuan; by 1984 it had reached 243 yuan, an average dannual increase of more than 20 percent. But from the pattern of daily expenditures, we see that most of what peasants spend on daily needs goes for food, clothing, and shelter. According to statistics, food consumption accounts for 52 percent of the entire cost of living, clothing consumption is 12 percent, and housing consumption is 14 percent. These three expenses together add up to 78 percent; only 22 percent of the cost of living goes for everyday items, cultural activities, medical care, etc. Compared with the internationally recognized Unger coefficient, food costs still comprise more than 50 percent of the cost of living in Anhui, even if we include the urban population. This shows that the current standard of living for most of Anhui's peasants also only allows them to meet basic needs.

Since the peasants' standard of living is still at the stage of meeting basic needs, the food consumption is of rather low quality and is is low in nutrients, affecting the improvement of the level of health of the broad masses of peasants. Nutritionally speaking, the calories, protein, and fat provided in the daily diet eaten by everyone in Anhui are, by a reasonable standard of nutrition, from 9 percent to 60 percent lower than ordinary needs. The reason for this is the rather unsensible composition of food consumption; there is insufficient consumption of animal products high in nutrients and an excessive proportion of grains and vegetables; basically the level is still quite rudimentary.

Following the development of the rural economy, the peasants' income has continuously grown, and so the peasants' diet will inevitably improve correspondingly; the demand for nutritious foods will become bigger and bigger. In order to let the peasants' diet become more reasonable and to increase the sources of nutritious foods, we must do the following things:

1. Restructure farming. The ties between the structures of farming and food consumption are extremely close. At the present stage, foods of plant origin are the stample of the peasants' diet. Restructuring farming will have a major effect on improving the peasants' diet. In restructuring farming, we must first make sure that we implement the policy of never neglecting grain production. Based on the current realities, that China has many people, little land and rather low productive forces, for a considerable period of time in the future, the diet of peasants will still center on grains and vegetables. At the same time, nutritious foods, such as meat, eggs, and milk, are also transformed from grain, so that it is impossible to increase the amount of food derived from animals without achieving increased grain production. Second, we should expand the area of oil-bearing crops and increase edible oil yields. Oil crops not only contain abundant fats, they also contain quite a bit of vegetable proteins and also contain many vitamins essential to the human body. Activley developing oil-bearing crops can both solve the peasants' problem of insufficient absorption of protein and fat and increase their income. We should plant more high-quality grains; in particular there should be considerable development of famous, special, small, and miscellaneous grains in order to meet the new needs of the peasants' food consumption.

2. We should develop the food industry and increase edible resources. The foods people need do not come just from agriculture, they also come from industrial departments. The food industry not only can encourage faster and better conversion of grain, it can also scientifically process the formerly inedible materials to remove poison and change the flavor, changing them into edible foods. For example, every year Hebei produces about 2.5 billion jin of peanut, cottonseed, soybean, and sesame cake and residue. The cake and residue have a protein content ranging from 20 to 50 percent. Because equipment and technology in the food-processing industry are relatively backward, these cakes and residue cannot be used comprehensively; most of them serve as feed and fertilizer, which is an enormous waste. If we could use advanced technology in the food-processing industry to extract the protein within the cakes and residue and make it into foods rich in nutritional value, this would undoubtedly increase the sources of food.

Developing the food industry is still an important path to increasing the nutrients in food. The food-processing industry can use modern processing methods to prevent loss of nutrients during the course of processing, and can use scientific blending of the raw materials of food to change the ratio of chemical compounds and catalyze the formation of vitamins, thus raising the nutritional value of food and getting twice the result for half the effort.

The question of what sort of food-consumption patterns should be established in the future deserves great consideration. We feel that, for a fairly long period in the immediate future, establishing a food-consumption pattern that "centers on consumption of grain and vegetables and is supplemented by consumption of animal food products" is best suited to the actual condition of China's rural economy and is feasible.

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REASON GIVEN FOR DECLINE IN NUMBER OF SHEEP

Beijing ZHONGGUO CUNZHEN BAIYE XINXI BAO in Chinese 5 Nov 85 p 3

[Article by Fu Lizhi [0102 4539 1807]: "In Hebei, Amount of Sheep Decreasing Annually, Market Supply Worsens Daily; Mountains Closed Off for Reforestation, Institutional Paralysis, Measures Unfavorable"]

[Text] Hebei currently has more than 62 million mu of grass-covered mountains and slopes, of which 43.58 million mu can be used. The annual output of straw from various crops is more than 30 billion jin, which provides excellent conditions for developing sheep production. But since 1983 the number of sheep in Hebei has gradually declined. In 1982, there were 9.15 million sheep, the number fell to 8.16 million in 1983, and in 1984 it fell again to 7.25 million. In 2 years the number of sheep fell 1.9 million, a decline of 20.7 percent. In the first half of this year the number of sheep was 570,000 less than the same period last year, a decline of 6.8 percent. Of all the counties in Hebei, the decline in the number of sheep is most serious in the major forestry counties in the Tiahang Shan and Yan Shan. In Fuping, Laiyuan, Shexian, and Chengde counties, the number of sheep has fallen by more than half in the past 3 years, so that some places have become villages without any sheep. The number of sheep is still continuing to fall in some mountainous districts now.

The decline in the number of sheep is due to a variety of causes. According to investigations, the main reason is that many prefectures have set their agricultural production policy with "forestry at the center"; they have emphasized the rate of forest cover and expanded the area of sealed-off mountains, depriving sheep of the grazing conditions they require for existence. In particular, the leaders of some counties and communes have mistakenly regarded forestry and sheep-raising as antagonistic to each other, thinking that "if we raise sheep we cannot plant trees, and if we want to plant trees we have to get rid of sheep." As a result, they have adopted measures limiting or forbidding sheep-raising. Some deal with it by setting deadlines, others collect so-called "mountain use fees" and "resources fees" when sheep are sent out to graze. In addition, since implementation of the agricultural production responsibility system, the grazing land and sheep herds in many places have been divided up among households. Because sheep-raising households have little grazing land, they cannot raise many sheep, and those households which did not want to raise sheep in the first place either sold or killed the sheep as soon as they received them. A special problem has been the institutional

streamlining of the past 2 years, in which the animal husbandry and agriculture departments have been combined in many prefectures; the leadership forces and technical services have been greatly weakened; a considerable portion of rural township veterinary stations have become paralyzed or semi-paralyzed because their income does not meet their expenses, creating a situation where no one is managing sheep production, improved breeding, and disease information and control.

The large decline in the number of sheep has begun to influence the supply of mutton in Hebei's markets. This year the price of live sheep and mutton has generally gone up; last fall the price for live sheep was about.40 yuan per jin, but now it has risen to more than .70 yuan; last year the market price for mutton was 1.20 to 1.30 yuan, but now it has gone up to 1.70 to 2.00 yuan. Furthermore, the market is not well-supplied, so that in many places it is difficult to buy mutton.

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BRIEFS

AUTUMN WHEAT SOWING INCREASED--Fall wheat sowing in Hebei Province will reach 37 million mu this year, an increase of more than 1 million mu over last year. Soil moisture content is good this year, base fertilizer is sufficient and high-yield varieties are numerous. There is 10 percent more land available for planting than last year and the wheat is of universally higher quality. [Text] [Shijiazhuang HEBEI RIBAO in Chinese 18 Nov 85 p 1] 13030/13045

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IMPROVE DEVELOPMENT OF COMMODITY PRODUCTION

Harbin HEILONGJIANG RIBAO in Chinese 14 Nov 85 p 1

[Article: "Perfect Rural Cooperative Economy, Improve Development of Commodity Production; Provincial Rural Work Ministers' Meeting States There Are Many Forms in Heilingjiang's Countryside; Multilevel Cooperative Economy Being Perfected Daily; Cooperative Economic Networks and Socially Useful Service Systems Based on Household Management Should Be Established as Soon as Possible"]

[Text] The provincial rural work ministers' meeting concluded on 9 November. This meeting exchanged the past year's experiences in implementing locally CPC Central Committee Document No 1, and discussed the provincial central committee's draft of its "Opinions Concerning Several Problems in Perfecting the Rural Cooperative System (Draft for Discussion)"; those at the meeting gave several suggestions on how to deal with present rural work. Hou Jie [0186 2212], deputy secretary of the provincial central committee and provincial governor, spoke at the meeting.

Discussion at this meeting focused on questions of further perfecting the integration of rural centralization and decentralization in the dual-level management structure, developing diversified economic associations and developing a multilevel socially useful service system.

The meeting reaffirmed stable land-use rights, adhering to the policy that the period for land contracts should usually be more than 15 years; the limit for adjusting private plots should generally be lengthened to 15 years.

The meeting stated that at present, the diversified, multilayered cooperative economy in Heilongjiang is daily being perfected. Following the continual perfection of the output-related contract system, Heilongjiang's rural household businesses are extremely active, turning out a stream of peasant entrepreneurs, large specialized households, and specialized villages. The development of commodity production has promoted the gradual conversion of regional cooperative economies into dual-level business entities integration centralization and decentralization. Some regional cooperative economic organizations actively provide various services to household businesses.

The meeting also pointed out that the focal point in developing the cooperative economy in rural Heilongjiang has shifted into the area of circulation.

Regional cooperative economic organizations are now changing from the production type of cooperation to cooperation in production, processing, circulation, and comprehensive service. The meeting called for rural cadres at every level to actively recognize and direct this shift, and to establish as soon as possible diversified, multilevel cooperative economic networks and socially useful service systems based on household management.

The meeting believes that perfecting the rural cooperative system first requires solving two problems of awareness. First is the relationship between developing commodity production and perfecting the cooperative system. Due to the shackles of "leftist" ideology, commodity economy and socialist cooperative system became fundamentally opposed concepts. In fact, the development of socialist commodity economy and the perfection of a rural cooperative system are not contradictory. Implementation of a rural economy in which business is divided among families, with the public ownership system as the economic foundation, requires even more effective association and cooperation, in order to solve the difficulties met by peasants in expanding the scale of household business and in developing production. Perfecting the cooperative system is an objective requirement for the development of the rural commodity economy. The question is how to satisfy the peasants' demands for gradual perfection of the cooperative system according to the principles of equality, voluntary participation and mutual help and benefit. Second is the relationship between centralization and decentralization. In fact, the management of contracting households is the management of the cooperative economy, expansion of the scale of household management, and enrichment of the levels of household management; this is the important work to be done in perfecting the contract system. This is not a hurried temporary measure, but is the long-term, stable fundamental policy. So-called unified management or cooperative management is not really the simple "addition" of labor, funds, technology, materials, and other factors, and in no way is it a return to the old way of the original production teams "eating from the big pot"; it is the use of the level of unified management to solve the limitations difficult to overcome in businesses distributed among household. Not only does it not limit household businesses, it will also help peasants expand the scale of household business.

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DAIRY MODERNIZATION SUCCESSFUL

Harbin HEILONGJIANG RIBAO in Chinese 14 Nov 85 p 1

[Article by Wang Wenku [3769 2429 1655]: "Achievements in Stock-Raising Projects Established in Three Counties in Heilongjiang; Conversion From Traditional Dairy Industry to Modernized Dairy Industry"]

[Text] In the past several years, Heilongjiang has concentrated funds in three townships (small towns) and six livestock farms in the three counties (cities) of Anda, Duerbote and Fuyu, centering on a fundamental change in the basic conditions for developing the diary industry. It has carried out a series of projects to bring about the conversion of the traditional dairy industry into a modernized dairy industry. This attempt has already achieved striking economic results.

Heilongjiang has vast grasslands and other natural conditions, making it well-suited for developing the diary industry. But at present the rearing of milk cows is still basically stuck at the backward traditional level. In the summer of 1981, Heilongjiang named sites for setting up modernization projects: in Anda City, four livestock farms: Xianfeng [pioneer], Liaoyuan [prairie fire], Zhongxu [stock-breeding], and Zhongniu [cattle breeding], in Dorbod Mongol Autonomous County, Aolinxibo and Hutumo townships and the stock-breeding farm near the mountain; and in Fuyu County, Fuluzhen and the county stock-breeding farm. The investment was 46.92 million yuan. The sources of funds were: 1) loan from the International Fund for Agricultural Development; 2) provincially appropriated loans; 3) funds raised by the units setting up the projects. By the end of July this year, 33.36 million yuan of the investment had been used to build fences surrounding 94,000 mu of grasslands, artifically seed 70,000 mu of grass, improve 48,000 mu of pastures, plant 62,000 mu of silage fodder, plant 40,000 mu of grassland shelter-belt forests, and build 26,000 square meters of heated dairy barns, 38,000 cubic meters of silos, 31 drinking water towers or wells, and 2,000 square meters of breeding rooms; at the same time, 250 items of advanced technical equipment had been bought.

Establishing these projects has brought three major changes to the development of the dairy industry in these places: 1) Increased amount of forage grasses and feed. Compared to other pastures, there has been about a doubling of production in fenced pastures, a twofold increase in production in improved pastures, and a threefold increase in production with artificially planted grass. Last year 40,000 tons of forage grass were harvested, a 59 percent

increase over 1980. In spring of this year there was a serious drought, but the forage grasses in artificially planted and improved pastures were generally able to grow quite well. 2) Increased amount of milk. At the end of last year, there were 32 percent more dairy cows than in 1980. Last year the total output of fresh milk was 47 percent more than in 1980; the average output per mature cow was 4.6 tons, 0.6 tons more than in 1980. 3) Increased income. Last year the total income was 22.77 million yuan, 58 percent more than in 1980. The per capita income in the dairy industry was 378 yuan, more than twice that of 1980.

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NODULE BACTERIA FERTILIZER EXPERIMENTS

Harbin HEILONGJIANG RIBAO in Chinese 10 Nov 85 p 1

[Article by Shi Weixin [4258 1919 2946] and Shen Enxuan [3088 1869 5503]: "Heilongjiang Experimenting With Soybean Module Bacteria Fertilizer on Large Areas; Integrating Scientific Research, Extension, and Production"]

[Text] The soil and fertilizer stations of the provincial Department of Agriculture, Animal Husbandry, and Fisheries, the Soil and Fertilizer Institute of the provincial Academy of Agricultural Sciences, and the provincial No 1 Veterinary Pharmaceutical Plant have cooperative this year in more than 40 cities and counties in Heilongjiang on large-acreage experiments and demonstrations with soybean module bacteria, achieving heartening results.

Soybean module bacteria is a kind of bacteria fertilizer, using it to inoculate soybeans can promote the formation of nodules on the soybean roots, increasing its nitrogen-fixing capacity and improving the soybean yield. This measure has been used in many countries around the world. Starting in the 1950's, China used this measure with definite results, but experiments were later stopped for a time.

Heilongjiang started in 1983 to carry out experiements on and demonstrations and promotion of soybean module bacteria. In that year the experiments were conducted in 16 cities and counties on an area of 11 000 mu. In 1984, experiments were extended to 27 more cities and counties, on 450,000 mu.

According to statistics, in these 2 years, average per-mu soybean output increased by 28 to 35 jin and net results by 7 to 10 yuan. This year, in 45 cities and counties, the experimental area is 720,000 mu. Although Heilongjiang has been generally afflicted by fairly severe spring dought, fall waterlogging, and other natural disasters, soybeans fields in Heilongjiang using soybean nodule bacteria fertilizer increased output by more than 29.8 million jin of soybeans, a net increase in income of more than 8.9 million yuan; the average increase in output per mu was 41.2 jin and the increased net income per mu was 12.36 yuan.

12919/9274
CSO: 4007/179

CIRCULAR ON SPRING FARMING PREPARATIONS

SK102305 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 9 Feb 86

[Text] The provincial government recently issued a circular on preparations for plowing and sowing for this year's production. The circular calls on all localities to successfully carry out the following tasks:

1. It is necessary to widely and thoroughly publicize and implement Document No 1 of 1986 issued by the CPC Central Committee and implement the guidelines of the central and provincial rural work conferences in order for the masses of peasants to clearly understand that the party's principles and policies for rural economic reform will remain unchanged for a long time. In this way, the peasants' enthusiasm for production will be protected and further aroused, and rural economic development will be stimulated.

2. It is necessary to step up efforts to decide on the acreage to be sown to crops, sign grain purchasing contracts, and formulate plans for production techniques on the basis of the principle of guaranteeing grain areas, properly increasing the areas of high-yielding crops, and promoting a steady increase in grain production.

3. It is necessary to quickly create an upsurge in accumulating and delivering manure and strive to make this year's application of manure reach or exceed last year's level in both quantity and quality.

4. It is necessary to grasp well the collection of funds for production preparations and supply and service work. Agricultural banks should do their best to ensure the supply of funds for agricultural production, allocation of chemical fertilizer should be stepped up, farm machines and tools should be examined and repaired successfully in quality and quantity, and the method of exchanging grain for seeds should be adopted to distribute seeds as quickly as possible.

5. It is necessary to conscientiously help disaster areas and poor households in production preparations. All departments concerned should step up the formulation of plans for helping the disaster areas and poor households develop production and business, and for offering them technical and information services in order to help them attain self-reliance through production and do a good job in production preparations.

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CSO: 4007/298

BRIEFS

NEW HEILONGJIANG CULTIVATION METHOD--Harbin, 19 Feb (XINHUA)--A new cultivation method helped 247,000 peasant households in China's northernmost province of Heilongjiang reap high outputs of soya bean and wheat despite floods last year. With the new method, all processes, ranging from land preparation and seed selection to sowing, fertilizer application, field management and harvest, have optimum criterions decided in accordance with soil and weather conditions. As a result, the soya bean yield on more than 65,000 hectares averaged 2,384 kg per hectare, 554 kg more than that for conventional methods. The wheat yield on 61,000 hectares averaged 3,173 kg per hectare--980 kg more than that for conventional methods. Heilongjiang allocated 12.5 million yuan and 20,000 tons of fertilizer for farms using the new method last year. Technical courses were run for 410,000 peasants. [Text] [Beijing XINHUA in English 0642 GMT 19 Feb 86 OW] /8309

CSO: 4020/233

GUO ZHENQIAN DISCUSSES AGRICULTURAL ISSUES

HK220311 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 21 Feb 86

[Excerpts] From 14 to 19 February, the provincial government held a provincial agricultural forum in Wuchang, attended by responsible comrades from all prefectures and cities and of provincial departments concerned. Acting Governor Guo Zhenqian and Vice Governor Wang [name indistinct] spoke.

Guo Zhenqian stressed in his speech: The leaders at all levels must fully understand the important position of agriculture and tangibly strengthen leadership over it. Since the 3d Plenary Session of the 11th CPC Central Committee, a situation of flourishing development has emerged in Hubei agriculture. This fine situation was not gained easily. We must cherish it and exert every effort to consolidate and develop it.

Comrade Guo Zhenqian said: Strengthening leadership over agriculture first means implementing the policies. In light of local agricultural problems, we must promptly adopt measures and methods that will help to develop agriculture and mobilize the peasants' enthusiasm, so as to stimulate rural reforms and promote production.

Second, in the wake of the rural structural reforms, leadership methods must switch from urging people to harvest and sow, as in the past, to providing service for the grassroots and the peasants.

Third, it is necessary to organize the forces of all sectors, trades, and departments to provide vigorous support for agriculture.

On the question of readjusting the rural production structure, Comrade Guo Zhenqian said: We must advance with steady steps and work in a thoroughly sound way in readjusting the rural production structure. No matter how the structure is readjusted, the first task should always be to develop crop cultivation with the focus on grain. We must improve the grain contract purchase methods, and help the grain-growing peasants to develop production by means of revolving capital and bonus awards of chemical fertilizer. We must stabilize the prices of agricultural production materials and lighten the peasants' burden.

- We must speed up the development of forestry, animal husbandry, and aquatic production, and increase their proportion in agriculture as a whole.

In readjusting the production structure, we must take advantage of Hubei's strong points in agriculture. Areas suitable for growing grain and cotton must not blindly reduce their cultivation areas. They must continue to do a good job in growing grain and cotton, and improve yields, varieties, and quality.

Guo Zhenqian said: Land is the peasants' basic production material and the baisc production condition in agriculture. At present there is a serious degree of random occupation and waste of farmland in many places. This must be resolutely curbed. Places where the conditions are right should build up some more farmland, so long as soil conservation is benefited.

On the question of township enterprises, Comrade Guo Zhenqian said that Hubei made a rather late start in launching these enterprises, and their proportion of total agricultural output is still rather low. This year the enterprises should be consolidated and improved and should develop steadily. The focus should be on processing agricultural and sideline products. Areas where there are mineral deposits can organize small-scale mining, under the unified arrangements of the state. However, they must not vie with the state for resources, or damage resources. Places where the conditions are right can also undertake the manufacture of products diffused by large urban industries.

To maintain long-term and stable agricultural growth and accomplish the Seventh Five-Year Plan, we must strive to increase agricultural input while continuing to bring into play the power of the reforms. We should arm agriculture with new materials and technology and continually strengthen the reserve forces for agricultural development. At the same time we must do a good job in popularizing and applying the existing fruits of science and technology, so as to raise the scientific and technological level of agriculture.

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CSO: 4009/298

AGRICULTURE, ANIMAL HUSBANDRY CONFERENCE ENDS

HK270525 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 25 Feb 86

[Excerpt] The provincial work conference on agriculture and animal husbandry concluded in Wuchang this afternoon.

In the light of the guidelines of central document No 1, the meeting put forward the following guiding ideology for this year's work of the province's departments in charge of agriculture and animal husbandry: To carry out reform in depth, to make further readjustments, and to strengthen service work so as to develop the rural economy in a sound, steady, and balanced way. Meanwhile, priority must be given to conducting work in earnest in three aspects, establishing two systems, and improving management. This calls for us to make continued efforts to readjust the agricultural structure, strengthen the building of the commodity basis of agriculture and animal husbandry, promote science and technological progress, and work hard to raise the production level of agriculture and animal husbandry, as well as to establish the system of spreading agrotechniques and the system of service work, and to exercise effective control over agriculture by economic and legal means to as to ensure a sound development of agriculture and animal husbandry.

During the meeting, Vice Governor Wang Libin called on delegates to the meeting and delivered a speech. He called on all localities to continue to expand agricultural production as the foundation of the national economy, lay a solid foundation for agricultural development, increase investment in agriculture, strengthen capital construction on farmland, and intensify research work in new agrotechniques.

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CSO: 4007/298

FRESHWATER FISHERIES DEVELOPMENT DISCUSSED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 11, Nov 85 pp 31-34

[Article by Wang Shouren [3769 1343 0088] of the Hunan Office of the Ministry of Agriculture: "Major Problems and Policies for Dealing with Them in Hunan's Freshwater Fish Cultivation"]

[Text]

I

Hunan is known popularly as the "home of rice and fish." It has uniquely abundant natural resources for freshwater fish cultivation. One is the vastness of its surface water. The province has the four major watersheds of the Xiang, Zi, Yuan, and Feng rivers, the expanse of Lake Dongting, more than 4,710 other streams large and small, and a number of ponds, reservoirs, canals, and barren rivers [Yahe 0800 3109] for a total area of over 20 million mu. Of this figure, 5,358,000 mu, or 0.39 per capita, are currently suited for fish cultivation. This places Hunan in third place among the 13 southern provinces behind Jiangxi and Jiangsu. A second feature is Hunan's traditional practice and experience in the use of rice paddies for fish cultivation. There are more than 13 million mu of rice paddies which can be used both for raising mature fish and for breeding fish on a large scale. At the same time, the province has approximately 1.8 million mu of lowlands and littoral fields which can be turned back from farming to fisheries, so that the potential for expanding the area of fish cultivation is very large. A third factor is an abundance of resources of aquatic life of every class. Surveys demonstrate that the province has 163 naturally occurring species, of which over 40 are economically significant. A fourth factor is that temperature, sunlight, and water conditions are favorable to fish growth and natural and artificial hatcheries. Sources of manure and supplies of natural feed are abundant. Moreover, Hunan is a priority grain-producing region, so that feed problems are easy to resolve.

II

Since the 3d Plenum of the 11th CPC Central Committee, Hunan's fish cultivation has seen major developments. However, the pace of development has not matched increased consumption demand. Taking 1984 as an example, Hunan's gross output value for aquatic products was 534 million yuan, or 2.79 percent of the total for the province. Output per mu of water surface was only 102

jin, or about 10 jin per capita. This places Hunan seventh among the 13 southern provinces, and lower than the national average of 12.1. The labor-production rate for fisheries was 25.5 jin, which is lower than the national mark of 35.7 jin. The advantages of natural resources for fishery production have not assumed the importance they should have. There are two primary reasons for this.

First, the output-related responsibility system for fisheries has not been put into opertion and perfected in a timely frashion. This has constrained the enthusiasm and creativity of the many households involved and limited the pace of developments in output. This is manifested in four areas. 1. Slow development. Incomplete statistics show that contracts are yet to be made for approximately 40 to 50 percent of hillside paddies and 70 to 80 percent of small and large reservoirs. Because questions of ownership and management rights have not been resolved on large reservoirs, no one is stocking or managing them. Some small channels and scattered bodies of water have been abandoned for long periods because of a lack of implementation of the responsibility system. 2. The brevity of contract terms. Incomplete statistics show that around 39 percent of contracts are for 2 years or less, 38.9 percent are for 3-5 years, and 22.1 percent are in excess of 5 years. With such short contract terms, motivating the households toward fish cultivation is difficult. 3. Flaws in the contracts. There are still significant numbers of water bodies for which contracts are ostensibly in place but which are actually under equalitarianism and other versions of "eating from the big bowl." Quite a few are joint household contracts for stocking fish. The ponds are split up like fields on a year-to-year basis. Some have even been placed in the care of disadvantaged households with no technical knowledge. Provisions of the contracts are in large part hampered by requirements for turning over profits and quotas of fresh fish, while replenishing feed, repairs, and cleaning of fish ponds have been overlooked. Significantly, base figures for contracts on state-run and collective fish farms for intensive fish have been too slow, with little attention paid to collections from the public or reinvestment in production. 4. The arbitrary reindexing of contract quotas and excessive turnover or profits which has hindered the enthusiasm of contract households and collectives for developing production.

A second reason is a serious lack of S&T personnel and the difficulty of propagating and spreading S&T knowledge. This has primarily two aspects: 1. Statistics show that there are currently only 571 specialized S&T cadres in fishery work in Hunan for an average of one cadre for every 35,000 mu. There are still 11 counties without a single such cadre. Even counties with rather high levels of fishery production are sorely lacking in such cadres, so that any breakthrough in fishery output or economic returns is difficult. 2. Service systems for popularizing S&T, processing systems for feed, and supply systems for improved strains are either unestablished or else incomplete. Spread of S&T services to the many households is difficult. Supplies of improved breeds do not meet demands. There have been no long-term improvements in the makeup of species; and in most places techniques for fish cultivation are still based on old-fashioned experience.

III

Looking at the picture for Hunan as a whole, increasing the pace of fishery production from the standpoint of fish breeding should focus on tasks in the following areas.

A. Policies should be further liberalized to meet local conditions; and various forms of the responsibility system should be estabished and improved on a wide basis. 1. A responsibility system which meets local conditions should be set up and perfected. Hillside and lowland ponds and channels and collective fish farms of small scale should be turned over entirely to households and workers. The mode of contract can be to have a specialized contract signed for a specific number of years without revision. Alternatively, there should be a reduction or elimination of farm contracts for those taking on fishery contracts. The experience in the city of Xiangtan was as follows. Based on the fertility of the pond and the historical annual yield, outputs were set for each pond with fish replacing grain and pond area replacing field area. This was the basis for assessing the contracting household for state procurement and tax purposes. With per-mu areas of water surface contracted out to individual households, the farmers come to cherish the ponds just as they cherish their fields and come to take the initiative in working and fertilizing them and improving conditions on them. This leads to improvements in fish breeding as a whole. On hillside and flatland ponds and reservoirs, irrigation and breeding contracts can be implemented. This was done on a trial basis over the last 2 years in Zhuzhou County pairing up fish-breeding contracts with irrigation duties for the same amount of area to the same individual, who would receive a certain amount of expenses. This solved problems in coordinating fish raising and irrigation, promoting fish output and economical use of water. For larger bodies of water, there should first be accurate delineation of management rights and then implementation of specialized contracts. On the largest bodies of water, monopolistic management should be broken. The enthusiasm of the state, the collective, and the individual should equally be brought into play based upon the principle of sharing profits with the farmer. Starting from the idea of unified organization of management, planning, and coordination, all sorts of joint management should be implemented toward common exploitation of large bodies of water, so that whoever raises the fish should glean the profits. For those large bodies of water where there has been unitary management for a long period, economic return is off, and problems exist, policies should be relaxed and allowance made for interregional associations of collectives and individuals to carry out fish cultivation in enclosures and nets. On those larger bodies of water where rights and limitations on use have not yet been fully delineated, there should first be full consultation and establishment of a substantial joint economic entity comprised of the counties (cities) concerned to promote the setting up of equity operations involving the state, the collective, and individuals bordering the particular waterway. Water policies may also be relaxed to attract man and material power, capital, and technology to develop together.

2. Contract terms should be extended to provide incentives to the contractors. Further study will be required to determine how long contracts for waterways should be. Based on present conditions, the term for intensive

fish-breeding areas such as hillside and flatland ponds and commodity fish bases should be upwards of 10 to 15 years, while those for abandoned waters, large bodies, and those under development should be 20 years or longer. With these extended terms as a foundation, water-management certificates should be issued to act as a "tranquillizer" to contractors. Hanshou County adopted the method of extending contracts to at least 5 years on 11,000 mu of commodity fishery bases and issuing certificates in 1983. This provided a great incentive to households raising fish, and the per-mu output jumped from 291 jin in 1983 to 417 in 1984, with projections that it will surpass 500 jin this year.

3. Within state-run fish farms, the output-related responsibility system should be implemented as well, handing over to households entirely whatever can be contracted out and moving from stocking and raising by collectives to stocking and raising by workers and other individuals. Incentives should be put into place to promote the concentration of waters in the hands of those with ability and the creation of a contingent of small, household-run fish farms. Structural economic reforms in the five state-run fish farms in Xiangyin County led in 1984 to the establishment of a management system centered on household contracts with intensive waters completely contracted out to households and larger and more nonintensive ones going entirely to a system of hired help contracts of an individual household or joint nature. This transformed the chronic passive situation in state-run fish farms. Compared to 1983, gross fresh-fish output increased 29 percent, output value increased 19 percent, and income distribution per worker increased 419 yuan, and there was a big drop in outlays and expenditures.

4. Reasonable quotas for contracts and dedcutions should be set. This will ensure that as production develops on contractor and collective fish farms, there will be extensive increases and improvements in individual income, withholdings, and production conditions. This will also assure relative stability in contract quotas and paid in percentages, or, alternatively, reasonable increases therein. The "blazing eye" disease should steadfastly be overcome, to prevent unnecessary defaults and innovations in contracts. The assignment contract should be afforded the guarantees of legal effect.

B. There should be a shift in work priorities to set up and promote major developments in household fish production. Statistics show that in 1984 there were over 52,000 specialized fishery households throughout the province, managing a water area of 535,000 mu; 820,000 priority households managing 228,000 mu; and 8,580 joint entities managing 110,000 mu. The amount of water surface for stocking and breeding under household management was 20 percent throughout the province, while the total output for the same group was 37 percent. As the joint-related responsibility system becomes comprehensively adopted, Hunan's fish farming will be entering a period marked by specialized contracts, stocking and breeding by families, and primarily household management. Affirmative establishment and guidance of major development of household fish farming shall become an important part of the work of aquatic production from now on. Therefore, all levels of fishery- and aquatic-product management departments and S&T promotion organizations should set out to provide socialized services to preserve and promote the vigorous development of household fisheries. This should include effective restocking services.

The current state and collectively run services should undertake the responsibility of providing high-quality fry, and a new contingent of fish-hatching farms should be set up in a planned fashion to expand the reproductive capacity of improved breeds. Counties with no such facilities as of yet should establish them to ensure supplies of smolts; and a contingent of specialized hatchery households should be set up and developed to expand production of different breeds. A second area is that of disease-prevention services which bring together and spread expertise in prevention of fish diseases, immunization of grass carp, and new techniques for oxygenization of fishponds. Third is the establishment of a fish-feed industry system which will gradually spread and expand fish-feed supplies. Fourth is administration of fisheries and the establishment of administrative procedures for fish breeding to protect the legitimate rights and interests of fishery households.

C. We should travel the road of "targeting, exploitation, utilization, and development" to fully delve into the inner potential of surface waters. The technical strategy for fish breeding on Hunan's waters should be: To continue to target small bodies of water; aggressively develop large bodies, fully utilize incidental ones; vigorously develop fish cultivation in rice paddies; and focus on the potential of currently available surface waters. According to surveys, fish-raising capabilities on Hunan's waters are great, as the following indicates: (1) The province still has 30 percent of surface waters unutilized with the amount of rice paddies used for this purpose being only 19 percent. (2) 74 percent of surface waters in the province are still used for nonintensive fish cultivation. (3) Output is low and fluctuations great. Taking 1984 as an example, the average yield for ponds throughout the province was 168.3 jin per mu, while that for intensive fish cultivation was 330.9 jin. This fully demonstrates that there is still a great deal of potential for the province, which should be taken advantage of in various respects in the years to come. Based on individual features of surface waters, appropriate measures should be taken with the focus on unit production and raising standards for the industry.

On small bodies of water, the emphasis should be on intensive cultivation, high quality, and high yield. Conditions for fish cultivation should be improved, income should increase, the composition of varieties should be improved and levels of intensive cultivation should go up. This should bring up the quality of the 40.8 percent of secondary and 27.7 percent tertiary ponds and expand the area under intensive cultivation. Intensive and semi-intensive cultivation in barren rivers and backwaters should be done. On lakes and reservoirs the emphasis should gradually move toward combining protection of reproductive resources with artificial stocking and cultivation, affirmative adoption of new techniques and experiences with net and trap fishing. Larger bodies of water should be divided into smaller ones, with artificial feeding and intensive cultivation. Further experimentation and spread of dual rice-fish cultivation should be promoted, with emphasis on exploitation of new techniques and opening up new areas to bring about breakthrough developments in the yield and area devoted to dual cultivation. Hanshou County has already completed a successful trial in this area, with an area of 3-dimensional cultivation exceeding 600 mu. The yield of early rice was equal to that in paddies devoted solely to rice, and projections are for a fresh-fish harvest of over 200 jin per mu. Last year Zhouwen Village in

Zhouwen Township attempted a 3-dimensional plot of 5.87 mu and achieved a rice yield of 1,627.8 jin--295.8 jin more than the two-season total with only rice cultivation. The per-mu fresh-fish yield was 186 jin, and net profit amounted to 103 percent more than on a control plot. In areas with more surface water for fish cultivation, rice paddies can be used both for large-scale cultivation of fish stocks and for raising mature fish. This solves the problem of inadequate fish stocks.

D. Speed up the nurture of human talent and exploitation of knowledge to upgrade the productivity of fish cultivation. We suggest the adoption of the following measures. First, multilevel, multichannel, diversified nurture of talented individuals in specialized aquatic technology. In addition to augmenting in a planned fashion aquatic specialities in the province's institutes of agronomy, expanding admissions capabilities of the province's agricultural middle schools, and creating a special school for aquatic production, prefectural (municipal) and county agricultural schools should create conditions for the inauguration of a major in aquatic production. In the Dongting Hu region and in those counties with yearly production of more than 100,000 dan of fresh fish, specialized aquatic production middle schools can be created or else opened as part of existing agricultural middle schools. These can carry out such diversified activities as professional training and short-term correspondence courses to train aquatic-production specialists. A second avenue is to maximize the special features of existing technical cadres and thoroughly solve the difficulties they encounter in work, so as to give adequate scope to their abilities. "Local experts" from among the farm population can be ferreted out through the organization of fish-cultivation-technology associations among the people, bringing their unique talents fully into play to become technological "think tanks" for rural fishery production. A third is to encourage technical contracts which are compensated and compensated transfer of technical results, and to permit equitable shares in technology, along with jointly run production-technical entities which are composed of production units and individuals. There should be affirmative exploitation of the new media to popularize technology. The fourth area is to bring forward high-yield, high-quality models of fish-cultivation households who can serve to motivate a string of others and gradually become more generally known.

12303/12913
CSO: 4007/161

USING FARMLAND IN CONSTRUCTION CIRCULAR ISSUED

HK270655 Changsha Hunan Provincial Service in Mandarin 1100 GMT 25 Feb 86

[Excerpts] The provincial people's government recently issued a circular calling for checking the trend of unscrupulously seizing and using farmland in rural and urban construction.

The circular pointed out: Land in the cities is owned by the state and land in the countryside and on the outskirts of the cities is owned by the collective, with the exception of some plots of land which are owned by the state according to law. Meanwhile, land used for commodity production bases, family plots, and private plots in mountain areas are also owned by the collective. No units or individuals are allowed to seize, sell or buy, rent, or transfer possession of public land, except that the state may take over urban and rural land for use in capital construction according to law.

The circular stressed: Urban and rural construction should be strictly carried out according to plans and in line with the principle of making proper use of land and permitting no waste of land. The state, the collective, and the individual should all apply for use of land through necessary examination and approval procedures according to regulations specified by the state and the province. They are not allowed to seize land without authorization and no one is allowed to overstep his power to approve the use of land by others. Due punishment should be meted out to those who violate state regulations governing land management and those who break laws to seize or use land should be dealt with according to law by judicial bodies. Violations by government functionaries and grassroots cadres in this field should be handled strictly.

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CSO: 4007/298

JIANGSU

RADIO COMMENTARY ON GRAIN PROCUREMENT

OW210928 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 20 Feb 86

[Unattributed station commentary: "Seriously Fulfill This Year's Task of Grain Purchase by Contract"]

[Text] This year is the second year since the state put into effect the system of grain purchase by contract. All localities in our province have gained some experience in successfully implementing this system from the practical work they did last year. However, what they did was merely an initial step on the right track, and a period of gradual transition is required to perfect the contract system.

Our province's grain purchase task has changed somewhat this year in comparison with last year. Contract purchases have been reduced, while the task of negotiated purchase has been increased. In previous years, negotiated purchase was not an imperative task assigned to the grassroots level. This year it will be taken as an imperative task that must be fulfilled in order to meet the state requirements. The primary advantage of this change is the increase in the peasants' income.

All localities should conduct a serious ideological education among their peasants and cadres to let them know that agriculture is the fundamental task and to enable them to cherish the idea of state interests. Through this education, the cadres and peasants should uphold the idea that agriculture is the foundation of the national economy and grain is the root of this foundation. They should make a serious effort to grasp grain production and overcome the misunderstanding that no profit can be accrued from growing grain crops and that it doesn't matter whether grain purchase contracts are signed or not. They should do their best to grow grain crops and sell their harvest to the state in accordance with the contracts so as to support the program of the four modernizations.

At present Rain Water [hu shui, one of the solar terms in the lunar calendar] has passed, and the busy spring farming season is imminent. All localities should seize the current opportune time to do concrete and meticulous work to make good arrangements for fulfilling this year's grain procurement tasks, both the contract purchase and negotiated purchase.

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CSO: 4007/298

JIANGSU

SALES DROP NOTED FOR FARM MACHINERY

Beijing ZHONGGUO NONGJIHUA BAO in Chinese 2 Jan 86 p 3

[Market forecast by Shao Kuanyi [6730 0385 1355], manager of the Jiangsu Provincial Farm Machinery Co.: "Sales of Farm Machinery in Jiangsu Down 10 to 20 Percent This Year"]

[Text] Between January and November of 1985, sales of farm machinery by Jiangsu's farm machinery system outside the system reached 590 million yuan, which was 23 percent in excess of its annual quota and up 28 percent over the same period the previous year. Looking at fluctuations in the sales picture for the year as a whole, supplies of primary machinery and spare parts were outstripped by demand in the first half, with some letup in the second half. Sales of non-name brands were slow. In view of the fact that the state's construction policies this year continued to be toward controls at the macroeconomic level, revitalization at the microeconomic level, tightening of money and control of credit, and that Jiangsu's grain production was reduced last year, projections for 1986 are for sales outside of the system to be down 10 to 20 percent.

1. Sales of Large and Mid-Sized Tractors Should Remain Fundamentally Stable, with Slight Increases

Because Jiangsu's township and town industry is rather well-developed, the rural economy is developing rapidly with industry shoring up agriculture, promoting a major shift in farm labor force. Now that field work is mechanized or partially mechanized, small tractors have become ill-suited for the new requirements. Model 50's are gradually coming to replace small tractors in the southern region of the province, with some parts of the region showing increases for this model of somewhere between 10 and 15 percent. It is projected that this trend will continue.

2. Sales of Hand Tractors Should Continue to Fall

Between January and November 1985, the system sold 41,000 hand-held tractors externally, down about 10 percent from the previous year. Since the total number of such tractors in the province is already at 500,000, which is first nationwide, the market is saturated in many counties and cities. In some counties and cities where township and town industry is well-developed, large and mid-sized tractors are gradually replacing them. In those regions where "local

policies" prevail, burdens on tractor-holders are rather heavy. Moreover, the impact of such factors as the shortage of diesel fuel and reductions in transportation services has had some effect on sales appeal to users. Therefore, sales of hand-held tractors should still decline about 10 percent, resulting in lively competition between manufacturers and an even more conspicuous shift in purchaser selection toward name brands.

3. A Steadying Trend in Small Diesel Sales with Some Slippage, While Name Brands Should Continue To Sell Well

Jiangsu is situated in the lower reaches of the Chang Jiang and the Huai He, where water transportation is developed, thus sales of small diesel outboard motors should remain brisk; however, due to increasing movement of name brands, sales of such name brands will continue to be good but non-name brand sales will suffer. If this year brings no major droughts or floods, small diesel sales should be off from average years.

4. For Diesel Generator Sets, Sales Should Be Stable with a Tendency Toward Higher Quality with a Further Tendency Toward Bargains

Shrinkage in basic construction and shortages of diesel fuel should impact somewhat on sales of diesel generator sets. Beginning in the last half of last year, sales started falling for diesel generator sets less than 75 kW. Electric power is still in short supply this year with the continued development of township and town industry, leading to some demand for generator sets. This should lead to sales for equipment larger than 75 kW. But the flood of generator sets now installed should lead to an even more conspicuous movement by users toward quality and economy together.

5. Stable Growth in Sales of Semiautomatic Farm Tools and Parts

Jiangsu has demand for repair and rebuilding of 4.6 million power vehicles; but because of the impact of such factors as raw materials, this year supply will be unable to meet demand. As sales stabilize for small diesel tractors, the shortage of spare parts should undergo a marked improvement, until demand is basically met for all but a few key parts. It is projected that sales of power vehicles and spare parts will continue to rise steadily.

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CSO: 4007/249

LIAONING

BRIEFS

DEMAND FOR FARM MACHINES--To solve the problem of greatly needed rice transplanters in 1986, the Liaoning provincial agriculture and animal husbandry department has allocated 1.3 million yuan to the provincial Farm Machine Supply Company as a circulating fund to import Japanese rice transplanters. The provincial company has ordered more than 100 rice transplanters from Jilin province. In addition, with the approval of the Ministry of Agriculture, Animal Husbandry, and Fisheries 100 rice transplanters will be imported from Japan to meet demand. [Text] [Beijing NONGJIHUA BAO in Chinese 9 Feb 86 p 3]

CSO: 4007/312

INDIVIDUALS GIVEN LARGER ROLE IN AFFORESTATION

Hohhot NEIMENGGU RIBAO in Chinese 6 Nov 85 p 1

[Article by Fan Linxin [4636 2651 2450]: "Nei Monggol Has Made Remarkable Gains in Afforestation During the Sixth 5-Year Plan"]

[Text] During the period of the Sixth 5-Year Plan, every level of party and government leadership as conscientiously implemented the economic development strategy of "emphasizing forests and livestock, expanding the vareity of operations." Forests and pasture land have been well developed, facilitating the development of agriculture and animal husbandry. Tremendous achievements in afforestation have been made in Nei Monggol. The area that has been afforested and protected since the 3d Plenum of the 11th CPC Central Committee exceeds the total for the preceding 28 years.

Relax Polices; Motivating the Good Masses Is the Key to Rapid Afforestation: In 1982, in accordance with the spirit of the Central Committee, Nei Monggol changed its previous approach to afforestation, which had been to "regard the collective as primary, and have the state, the collective, and the individual proceed together." It was changed to "the individual, the collective, and the state proceed together." After more than a year of experience, it now has been further revised: "The individual, the collective, and the state proceed together, and family operations are primary." At the same time, the autonomous region's government has promulgated 10 regulations regarding a more relaxed afforestation policy. This policy and these regulations greatly spurred interest in afforestation. Altogether, 36.41 million mu of "three barren" [san huang 0005 5435] land suitable for afforestation has been transferred to some 2,214,000 agricultural and herding households. Another 28 million mu of forest land belonging to collectives will be transferred to individual households for a fair price or contracted out for individual households to manage. Some state-owned secondary forest land that is difficult to manage well will be entrusted to the management of the collective or of individuals. This year, the masses have followed the spirit of the Central Committee's 1985 Document No 1 and have gradually and methodically changed low-yielding hilly or sandy fields from use in agriculture to use in forestry.

Combined Forest-Specialized Households and Key Households Have Become the Main Force Leading the Broad Masses in Afforestation: At present, there already are 84,000 households engaged in both agriculture and forestry, which represents 3 percent of all rural households. These combined households manage 14.5

million mu of "three baren" land suitable for afforestation, which is 40 percent of all such land in Nei Monggol. One-third of the barren land has been covered with saplings. The proportion of forests planted by individuals has been increasing steadily. Before 1981, only 3 percent of Nei Mongool's total forest land was planted by individuals. By 1984, the portion had increased to 67 percent. This year it may approach 70 percent.

Forest Preservation Is the Main Direction of Attack in Afforestation Work; the Proportion of Superior Tree Varieties Should Steadily Increase: Beginning in 1978, Nei Monggol decided that forest preservation work was the main direction of attack on afforestation work, in accord with the project tasks and responsibilities approved by the State Council for the forest systems in the "three norths." This was to change the practice in the past of emphasizing only timber production and ignoring forest preservation. In 1981, a new policy was begun of "emphasizing shrubs and linking uniform shrubs and grasses," and continuously adjusting the varieties of forests and trees. Before the 3d Plenum of the 11th CPC Central Committee, afforestation for timber production was double that of afforestation for forest conservation. Now the ratio has been reversed. Seven years ago, only 14.4 percent of afforestation work used shrubs, 13.3 percent used coniferous tree varieties well suited for timber, and 72.3 percent used broadleaf trees, primarily populars. During the past 7 years, the proportion of shrubs and of conifers has increased to 34 percent and more than 20 percent, respectively. The percentage of broadleaf trees has dropped to 45 percent. The old practice in which branches of old poplars were used in afforestation on dry hill land to create "little old trees" has basically been eliminated.

The Rates for Survival and Preservation Continue To Improve: During the 28 years before the 3d Plehum of the 11th CPC Central Committee, the total area of forest preserves in Nei Monggol was 17.44 million mu. The preservation rate was 27.6 percent. The amount of land afforested each year, on average, was 690,000 mu. During the 7 years since the 3d Plenum, the preserved afforested area that has survived has been 21.75 million mu, exceeding the total for the preceding 28 years. In recent years, the preservation rate has reached 45.5 percent, and the annual rate of advance is 3.1 million mu, which is a rate 3.5-fold as fast as in the past. Especially since 1982, there has been a succession of new records in afforestation and Nei Monggol has occupied first place in China. The year 1985 has been one of continued advances in afforestation.

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FEED-PROCESSING INDUSTRY MECHANIZED, EXPANDED

Hohhot NEIMENGGU RIBAO in Chinese 12 Nov 85 p 1

[Article by He Shumei [0149 3219 2734] and Yi Min [4135 3046]: "Nei Monggol Feed-Processing Industry Develops Rapidly During the Sixth 5-Year Plan"]

[Text] The period of the Sixth 5-Year Plan has been an important period for Nei Monggol's feed-processing industry, which has gone from being small and virtually nonexistent to now being large and flourishing.

In 1980, the last year of the Fifth 5-Year Plan, Nei Monggol only had a few feed-processing mills that relied upon manual mixing and had outdated equipment and technology. Annual production capacity was only 20 million jin. For all practical purposes, the feed industry remained nonexistent. During the last 5 years, after entering the period of the Sixth 5-Year Plan, Nei MOnggol's feed industry has developed rapidly and now has achieved the first steps in becoming a fairly complete system. At present, in Nei Monggol there are 170 automated or semiautomated feed processing mills. In addition, there are 6,979 processing installations. Annual production capacity has increased to 1.73 billion jin, which is 85-fold the annual capacity of 1980. At present, Nei Monggol not only has giant 10,000-ton-per-annum feed-processing mills, it also has plants that can produce bone and blood products, minerals and trace elements, growth elements, and other feed material additives. Not only are the plants able to produce ordinary feeds, they are also able to tailor feeds according to the various breeds of animals and varying nutritional needs at different stages of growth. Happily, during the past 2 years the uses of processed feed materials (which include pasture grass, grain stalks, etc) have received widespread attention. Last year, a total of 910 million jin of feed material was processed in the region, which was 52 percent of all feed materials. Zhemenghe, which is in an agricultural area where animal husbandry is relatively developed, and Hulun, which relies primarily upon grassland grazing, processed 320 million and 8.36 million jin of feed material, respectively, which was 70 and 31 percent of their respective feed materials. Yi League's Ejin Horo Banner's Narenxilisumu has begun to process twigs from ning trees. It also has begun to use shrubs as a feed material. Another special aspect of the development of Nei Monggol's feed industry is the union of large-, medium-, and small-scale operations, with small-scale predominating. Feed-processing installations operated by individuals, groups of households, or collectives account for 98.5 percent of the total number. This means that capital investment in the industry primarily has been

internally generated. Hinggan League has invested a total of 1.1 million yuan in the feed-processing industry. Localities and individuals have contributed 820,000 yuan of this total, which is more than 74 percent.

During the period of the Seventh 5-Year Plan, Nei Monggol's feed-processing industry will enter a golden age of development. Informed government sources have told reporters that they are preparing to import advanced equipment from abroad and build or expand giant feed-processing plants in Hohot, Baotou, and other places that will have annual capacities of 50,000 tons. Some of the processing machinery has already arrived. Since the feed-processing industry is only just now developing, Nei Monggol is at present preapraing to establish a feed-inspection agency in order to insure maintenance of quality in feed processing.

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RURAL ENTERPRISES EXPAND DURING REFORM

Hohhot NEIMENGGU RIBAO in Chinese 9 Nov 85 p 1

[Article by Liu Hongxing [0491 4767 2502] and Wang Xiuzhen [3769 0208 3791]: "Nei Monggol Rural Enterprises Advance Steadily During Reform"]

[Text] In order to improve the economy in farming and herding districts and promote stable development of agricultural and animal husbandry industries, Nei Monggol rural enterprises are advancing steadily during reform, starting with realistic expectations and a commitment to serve the agricultural and animal husbandry industries. Between January and September of this year, the total value of production in Nei Monggol rural enterprises reached more than 1.14 billion yuan, exceeding by 13.8 percent the total for all of last year. More than 38 million yuan in taxes have been paid, which is more than threefold the amount of funds that financial administrators have given to promote rural enterprises.

The expansion of Nei Monggol rural enterprises began late and on a weak base. Last year, after the promulgation of the Central Committee's Document No 1, and particularly after the Nei Monggol Rural Enterprises Work Conference was held this year, the expansion of rural enterprises has been tremendous. In the new situation, localities have followed the instructions and spirit of the Nei Monggol Autonomous Region's party committee and have studied and summed up the reform and construction experiences of small towns. This has helped guide rural enterprises in keeping a steady step on the road to development.

The development of rural enterprises and of agricultural and animal husbandry industries proceeds together with each helping the other. This is a special characteristic of the steady advance of rural enterprises in Nei Monggol. Since this year the development of rural enterprises in Nei Monggol has continued to be based on the agricultural and animal husbandry industries, and on serving those industries. There are now said to be more than 10,000 enterprises that in the first 9 months of this year have served agriculture and animal husbandry in pre- and post-production roles, processing edible oils, food products, feedstocks, milk products, leather products, and other items. This is an increase of 30 percent over the number of similar enterprises this year. More than 10 million medium-sized and small agricultural and animal husbandry tools have been manufactured at a cost of more than 10 million yuan and put to the service of increasing agricultural and animal husbandry

production. IN Tongliao County's Mulitu Town, attention has been paid to promoting processing industries for agriculture and livestock. At present, it has some 29 such enterprises. At the same time, a fund of 500,000 yuan accumulated by the rural enterprises has been used to improve agricultural production conditions. Last year, 800 jin of grain were produced per mu; this year there will be a further increase.

The second special characteristic has been that in starting enterprises, emphasis has been placed on proceeding according to local conditions and resources. Small-scale, high-efficiency projects are preferred. Everything should be done to avoid blind errors. At present, more than 90 percent of rural enterprises in Nei Monggol are small- or medium-scale enterprises started by individuals or groups of households. Not only do these enterprises depend on the support of the state, they also are founded on the principle of self-reliance. They substitute labor for capital, distribute shares and divide profits, pool together local people's savings, and use other measures and sources to raise capital. Between January and September of this year, more than 100 million yuan of investment capital was raised with these methods. This represents 40 percent of the total investment this year in rural enterprises. Many small and medium-sized enterprises have been started successfully without spending 1 cent of the state's money. In Wuyuan County's Bayantaohai, the peasants this year raised 30,000 yuan and joined together to open a plant for processing spice and sunflower seed. It took only 1 month to begin production. In the first month of operations, the plant's production was worth 210,000 yuan and earned a net profit of 30,000 yuan. The plant not only has increased incomes, it also has solved the problem of finding a market for locally produced sunflower seed.

The third special characteristic has been that eyes have been turned inward and emphasis has been placed on expanding many different kinds of economic ties and accelerating the pace of internal reform within enterprises. Since this year, there has been fresh recognition by rural enterprises in Nei Monggol that they must depend upon improving internal conditions in the enterprises in order to meet changing external conditions. The previous emphasis on starting new enterprises has given way to emphasis now being placed on realizing the potential to change existing enterprises, improving enterprise management and product quality, and trying hard to bring forth new products. At the same time, many forms of union have appeared both in and out of Nei Monggol, joining together the individual, collective, and state, and joining together enterprises and technical personnel at a number of levels, in a variety of proportions, and through a variety of channels. In the suburbs of Hohhot, the Ma Steel Shop used funds accumulated by the enterprise to replace 60 percent of its equipment and to remodel more than 90 percent of the shop's space. This year, it arranged with Hohhot's No 28 Middle School to sponsor jointly a technical high school to train personnel. Moreover, it improved enterprise management and concentrated on product quality. Now every model of its steel bands is in such demand that production cannot keep up. Its products are sold in 13 provinces and regions. In only the first half of the year, the value of production reached 2 million yuan, which corresponds to the value produced during all of last year.

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USE OF CONTRACTS IN HUANG HE CONSERVANCY INCREASED

Hohhot NEIMENGGU RIBAO in Chinese 9 Nov 85 p 1

[Article by He Dongjun [0149 2639 0689] and Lin Wentang [2651 2429 1016]: "Control of Huang He in Nei Monggol Reaches New Stage"]

[Text] Control of the Huang He in Nei Monggol, involving contracts with almost 50,000 farming and herding households, has now reached a new stage. Family-operated farms, pastures, forests, orchards, and lumber- and fruit-processing bases have appeared on the loess plateau that is subject to severe erosion. Through the use of contracts for conservancy work in the tributary basins, more than 40,000 farming and herding households have left poverty behind and solved the historically unsolved problems of securing sufficient food and shelter. Among these families are some that have begun to become rich.

Since the 3d Plenum of the 11th CPC Central Committee, the party and the government in the Nei Monggol Autonomous Region have relaxed policies and have contracted with farming and herding people to take care of untended ditches and embankments. Whoever does conservancy work is rewarded. This has motivated farming and herding people to control the soil and water. At the same time, technical personnel and farming and herding people have worked together to derive lessons from past experiences and determine an overall conservancy plan. The plan combines biological and engineering considerations, long-term and short-term interests, programs to eradicate poverty, and the prospects of having the control of Huang He tributaries proceeding rapidly, on a large scale, and with large benefits. In these 24 banners (counties), from 1980 to 1984, the erosion control area reached 6,277 square km, which is some 1,000 square km more than the total covered in the 20-plus years preceding the 3d Plenum of the 11th CPC Central Committee. In 1984, the Huang He conservancy area reached 1,876 square km, which is 8.4-fold the annual average of area before the 3d Plenum of the 11th CPC Central Committee. At present, the area of erosion control in the Huang He basin in Nei Monggol has reached 11,380 square km, which is 14.5 percent of the total area of erosion.

Conservancy in the tributary b asisn has led to the appearance of new commercial and production bases along both banks of the Huang He. Since the Liangcheng County government contracted with farming and herding people to take care of 24 segments of tributaries, 1.06 million mu of artificial forests and 260,000 mu of artificial pastures have been planted. This year the artificial grasslands will produce 200 million jin of dry grass. The abundance of trees, grass, and fruit contributes to the development of processing industries.

BRIEFS

COARSE FODDER PROCESSING TECHNIQUE--Hohhot, 20 Feb (XINHUA)--A new technique for refining coarse animal fodder with sprayed steam has been developed by the Inner Mongolia Academy of Animal Husbandry Science, an official said here today. The technique works on tree branches, chaff, and maize and wheat stalks and removes poison from rapeseed and cottonseed cakes, making them suitable for feeding animals, the official said. For example, 1 kilogram of steam sprayed branches of the Chinese pea tree, a widely available desert bush, could substitute for up to 1.7 kilograms of dried grass to feed dairy cattle. "This would cut costs by at least 70 fen (about 24 U.S. cents) per cow a day," the official said. The Inner Mongolia Autonomous Region, one of China's 5 major pastoral areas, gathers 12 million tons of crop stalks and forestry by-products a year. [Text] [Beijing XINHUA in English 0845 GMT 20 Feb 86 OW] /8309

FOOD INDUSTRY--The town and township food industry is flourishing in the rural and pastoral areas of Nei Monggol. At present, there are 1,000 such enterprises, in 1985 the gross output value was 100 million yuan. Nei Monggol has abundant agricultural, pastoral, sideline and wild plant resources, prospects for developing the food industry are good. There are more than 30 million head (#) of livestock in the region. There are a variety of oil crops, sunflower seed output alone is around one billion jin, in addition, there is a huge amount of wild plants such as mushrooms, wild red beans, mu'er, etc. These provide a solid foundation for developing the food industry. [Excerpts] [Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 8 Feb 86 p 1]

CSO: 4007/309

LI XUEZHI ADDRESSES RURAL WORK CONFERENCE

HK210425 Yinchuan NINGXIA RIBAO in Chinese 1 Feb 86 p 1

[Report: "Regional CPC Committee and Government Convene Rural Work Conference"]

[Text] A regional rural work conference was held by the CPC and people's government of the autonomous region from 25 to 31 January in Yinchuan. The conference conscientiously relayed and studied the No 1 document of the Central authorities; fully affirmed the marked achievements made in the second stage of reform in the rural areas of our region, and defined the focal points of the rural work of the whole region. These focal points are: profoundly implementing the spirit of the national rural work conference, and of the No 1 document issued by the central authorities this year; conscientiously implementing the strategic guiding principle that agriculture is the foundation of the economy; further implementing various policies for the rural areas in order to consolidate, digest, and replenish the results which have been achieved in the second stage of the rurla reform; and relying on the policy and science in working hard to improve production conditions and promote the all-round development of the rural economy.

During the conference, autonomous regional CPC secretary Comrade Li Xuezhi made an important speech entitled: "Carry Forward the Spirit of the Foolish Old Man, Deepen the Reform, and Promote a Sustained, Stable, and Coordinated Economic Development in Our Region" (text of speech is published separately). Comrade Cai Zhulin, member of the autonomous regional CPC committee standing committee, relayed the spirit of the national rural work conference, and delivered a speech in accordance with the practical conditions in our region and the principles of the regional CPC committee.

The conference maintained: In 1985 the rural areas in our region made a great stride and achieved marked results in reforming the system of state monopoly in purchasing agricultural products and the system of assigned procurement, and in readjusting production set-ups. Rural economy has been further enlivened, the enthusiasm of the broad masses of peasants in developinging commodity production has been increasingly enhanced, and rural economy has developed in a sustained way. Due to some factors such as comparatively severe natural calamities and so on, our grain output last year dropped by 200 million jin. However, thanks to our efforts to readjust production

set-ups and free the prices of some products, the total output value of society in the rural areas of the whole region increased by 12.8 percent during 1985, and the per capita income of peasants increased by 31 yuan. Practice has proved that the guiding principles and policy for rural reform are correct. The achievements we have made today come from reform, and our progress tomorrow will also rely on reform.

The conference pointed out: Due to the fact that rural reform is progressing in depth, a number of uncoordinated things have happened in the course of replacing the old economic system with the new one, and the readjustment of the interests of various quarters has become more complicated since the convergence of urban and rural reforms. Therefore, in the process of carrying out rural reform and developing commodity economy, we have encountered a number of difficult problems, and some acute contradictions. For example, there are indications that peasants in the irrigated areas are not so interested in planting grain. In some areas, the burden imposed on peasants is comparatively heavy. Services before and after production have fallen short of demand. We should rely on deepening the reform to solve these problems.

The conference stressed: "We should on no account relax our efforts to carry out grain production. We should actively develop diversified economy." This is a fundamental guiding principle for agricultural development. "Without agriculture, it is impossible to ensure a stable economy," and "without grain, things will be thrown into confusion." We should on no account treat grain production lightly. Instead, we should grasp it firmly and effectively. We should exert our efforts to breed fine varieties of seeds, popularize advanced cultivation techniques aimed at high production, strengthen capital construction in irrigation and water conservancy, exploit land resources, and promote the management of land in order to ensure the steady growth of grain output in our region. The participating comrades supported the eight policies and measures of the CPC committee and people's government of the autonomous region aimed at protecting and arousing the enthusiasm of peasants in planting and selling grain, such as improving the system of grain purchase based on contracts, linking grain output with the supply of chemical fertilizer, reducing the prices of small chemical fertilizer [xiao hua fei 1420 0553 5142], increasing investment in agriculture, subsidizing agriculture with industrial funds, and so on. They also hoped that the departments concerned would firmly grasp the implementation of these policies and measures. The participating comrades held: We should be firm in readjusting the pattern of agricultural production. We should not waver in our determination simply because of a temporary reduction of grain output. We should actively develop forestry, animal husbandry, cash crops, aquatic breeding, and so on, so that grain production and diversified economy will develop and mutually promote each other according to the principle of overall consideration.

During the conference, the participating comrades were inspired by the news that the total output value of town and township enterprises throughout the region in 1985 had reached 600 million yuan. They believed that developing town and township enterprises was truly the only way to reinvigorate the rural economy. They are also the bright hope of the rural areas. Various

localities should actively support town and township enterprises, work out rational plans, guide them correctly, and strengthen their management. In the coming 2 years, we should carry out necessary readjustment and consolidation of the town and township enterprises, straighten out their business direction, improve their management and administration, and enhance their economic results so that they can develop in a healthy way. In the process of making science and technology serve rural economy, we should attach importance to the projects concerning town and township enterprises which are covered by the "spark program" of the period of the Seventh Five-Year Plan. The program should be implemented as early as possible.

The conference maintained: Impediments to commodity circulation are an important factor blocking the activeness and development of the commodity economy. It is a focal point in this year's rural work to carry out an in-depth reform of the circulation system, and to improve the purchase system based on contracts. While improving the purchase system of grain based on contracts, we should persist in implementing the policy of freeing the prices of some agricultural and sideline products such as apples, sheep wool, and so on. We should not regress in this respect. Supply and marketing cooperations should speed up their reform with regard to the thinking guiding their business, and the scope, methods, and pattern of their business so that they will completely become cooperative business organizations of the broad masses of peasants. We should expand the contingent of purchasing agents of peasant origin, and fully arouse the enthusiasm of peasants in participating in the field of circulation. In the meantime, we should establish some wholesale markets for agricultural and sideline products, and run some new commercial enterprises on a trial basis.

The conference pointed out: Although the mountainous area in the southern part of our region has achieved some economic development in recent years, it has not yet been lifted out of poverty. Some 20 percent of the peasants have not yet solved the problem of dressing warmly and eating their fill. It is not only an economic problem, but also a political problem to help this area gradually get rid of poverty. Leaders and departments at all levels should suggest ways and means and do their best to change the backwardness of the mountainous area. They should lend more relevant support to the southern mountainous area in terms of material and financial resources, technology, talented personnel, and so forth. We should conscientiously implement the spirit of the fifth enlarged meeting of the leading group under the State Council in charge of agricultural construction in the areas of "Xihaigu in Ningxia, and Hexi and Dingxi in Gansu," and strive to attain the target of providing the people with sufficient food and clothing in 5 years. Xihaigu in Ningxia, and Hexi and Dingxi in Gansu should persist in implementing the guiding principle of planting trees and grass, grasp the work of grass processing, promote synchronous development of grass planting and animal husbandry, and increase peasants' income. We should vigorously popularize the "two methods" suitable for the planting undertaking, and do well in planting upland crops. Export of labor will enable us to increase income, and to train our talented personnel. It should be vigorously advocated and organized. We

should speed up the construction of some "key villages," vigorously develop town and township enterprises, and strengthen intellectual exploitation and the work of family planning.

The conference also discussed and made arrangements for strengthening the popularization and application of science and technology, developing socialized services, lightening the burden of peasants, carrying out more capital construction in agriculture, improving the style of leadership, and so on.

The conference stressed: It is our long-term strategic guiding principle to take agriculture as the foundation for the development of the national economy. We should on no account neglect agriculture simply because our agricultural conditions have been improved, let alone negate the vital position of agriculture because the percentage of agricultural output value in the national economy has dropped. This year is the first year of the Seventh Five-Year Plan. Stable development of the rural economy has a vital bearing on the situation of the national economy as a whole. It will also determine whether we will be able to achieve the target of attaining a comfortably well-off level by the end of this century. We should conscientiously put into effect a series of policies worked out by the party for rural development, persist in reform, make efforts to carry out our struggle, strive to win a still greater victory in the second stage of rural reform, and promote the all-round reinvigoration of the rural economy in our region!

At the end of the conference, Comrade Ma Sizhong, member of the autonomous regional CPC committee standing committee and vice chairman of the regional government, delivered a summary report. He urged various localities to organize forces to go down to the rural areas, give wide publicity to the spirit of the No 1 document of the central authorities and of this conference, solve pronounced problems, and help peasants so that they will lose no time in effectively making preparations for plowing and sowing and promoting their production.

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NINGXIA FARMS MAJOR NONSTAPLE FOOD SUPPLIERS

OW210742 Beijing XINHUA in English 0645 GMT 21 Feb 86

[Text] Yinchuan, 21 Feb (XINHUA)--State farms in the Ningxia Hui Autonomous Region have become major non-staple food suppliers, a local official said today.

Liu Dengwang, director of the region's Land Reclamation Bureau, said that Ningxia's 13 state farms produce 3,000 tons of edible oil, 500 tons of chicken and 250 tons of fish annually.

He said these farms also produce 3.5 million liters of fresh milk a year, or 85 percent of the region's total and 10 million liters of beer, 90 percent of the regional production.

Last year, the total output value of the farms reached about 120 million yuan, double the figure for 1980, Liu said. Total output value in the past five years topped 440 million yuan.

These farms, with a total area of 33,000 hectares, have devoted one-fifth of their land to growing cash crops including fruit since 1981.

Liu said his farms, which formerly cultivated grain almost exclusively, have earmarked two million yuan and devoted 1,300 hectares of land for the development of fish ponds since 1981.

The region is also giving priority to the processing of agricultural produce. Nine feed processing plants and 20 non-staple food processing factories have been set up on the farms, Liu said.

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NINGXIA TO END RURAL DRINKING WATER SHORTAGE

OW251206 Beijing XINHUA in English 1152 GMT 25 Feb 86

[Text] Yinchuan, 25 Feb (XINHUA)--The Ningxia Hui Autonomous Region, like other parts of China, plans to end rural drinking water shortages by 1990, a regional official said here today.

By then, the Northwest China regional government plans to spend 46 million yuan (about 15 million U.S. dollars) on 40,000 drinking water facilities including canals, wells, reservoirs and ponds, according to the regional water conservation bureau.

This means 453,000 residents and 98,000 farm animals now lacking access to drinking water will have adequate supplies.

Located in one of the most arid parts of China, Ningxia has provided drinking water to 387,000 rural residents and 95,000 farm animals since 1980.

According to regional standards, each person should have access to at least 10 liters of drinking water a day, and each farm animal should have 30 liters.

To supply a local resident with sufficient water usually requires 200 to 225 yuan in investment. Since 1980, the regional government has spent 36 million yuan completing more than 123,000 drinking water facilities, most of them ponds and wells.

One project completed in October, a pumping canal to divert water from the Yellow River, by itself has helped 100,000 peasants on the arid loess highlands of Southern Ningxia.

The 142-kilometer canal, which runs from Zhongning County to Guyuan County, will eventually irrigate 27,000 hectares of farmland in the area and supply better quality water to 290,000 sheep and cattle.

According to an earlier report, China has solved the problem of drinking water shortage for 70 million rural residents over the past 30 years, 75 percent of the total suffering the problem previously.

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CSO: 4020/233

GREAT INCREASE IN FISH PRODUCTION REPORTED

Yinchuan NINGXIA RIBAO in Chinese 29 Nov 85 p 1

[Article by Yu Xiaolong [0060 1420 7893]: "Gratifying Situation Emerges in Region's Fishing Industry Output During Sixth 5-Year Plan; More Fish in the 'Land of Fish and Rice'"]

[Text] During the Sixth 5-Year Plan, all jurisdictions in the Ningxia Hui Autonomous Region carried out diligently a series of programs and policies of the Central Committee and the autonomous region for hastening development of the aquatic products industry. As a result, fish became more plentiful year by year in the "land of fish and rice." Statistics from departments concerned show 120,000 mu of water surfaces throughout the region devoted to the rearing of fish in 1984, a more than threefold increase over the 1978 figure. Forecasts call for an output of 2,100 tons in 1985 in a further 30 percent increase over 1984.

In recent years, the region has built a series of commodity fish production bases. In 1984, Yinchuan City raised nearly 4 million yuan through various channels including money put up by the city, sale of labor, loans, and state support that it used to build 4,760 mu of first-rate fish rearing ponds. During the same year, more than 2,300 mu were put into production and produced more than 13 million fish for autumn stocking, which yielded 75 tons of mature fish with a gross output value of 650,000 yuan. Plans this year for the region originally called for the new construction of 10,800 mu of commodity fish bases, but more than 11,100 mu were actually built and turned over for acceptance. During the same year more than 7,900 mu went into production. Output value is forecast at more than 2 million yuan.

With the spread of restructuring of the rural economic system and household partnership responsibility systems, the region's rural fish rearing industry has also flourished. Statistics show the number of households in rural areas throughout the region that are rearing a fairly large number of fish to have grown to more than 4,300, and the fish rearing area to have increased from the 47,000 mu of 1984 to more than 70,000 mu. In 1984, Zhang Xuehe [1728 1331 3109], the head of a household specializing in the rearing of fish in Helan County, built more than 200 mu of fishponds in which he produced more than 2 million fish for autumn stocking in the same year, yielding 7,000 jin of mature fish.

During the Sixth 5-Year Plan, the region steadily intensified both aquaculture research and the dissemination of techniques. The autonomous region set up an aquaculture research institute and stations for the dissemination of aquaculture techniques. All prefectures, cities, and counties (or suburban areas), as well as some counties in mountain regions set up aquaculture work stations in the preliminary establishment of a system for scientific aquaculture research and the dissemination of techniques. Experiments conducted by the aquaculture research institute in "early reproduction" of reared species succeeded, and results were used in production. In 1984, more than 9 million fry were produced in this way, and in 1985 the number rose to 12 million fry. Following 2 consecutive years of large-area experiments in producing bumper fish harvests in Zhongwei, Yongning and Helan counties, net yields of more than 400 jin per mu were achieved. Fairly good results were also achieved from experiments in the rearing of fish in rice paddies, with yields of more than 30 jin per mu. In addition, techniques for the growing of fine azolla have been widely disseminated and fine azolla has become an important source of green feed on most state-owned fish farms. Departments concerned have also concentrated on the production of "early," "large" and "fine" fish breeds as ways of making breakthroughs in expansion of the fish rearing industry. In 1985, 250 million fry were bred early and used to stock waters, double the number in 1984. Large fish breeds also increased from 30 percent of the total in 1983 to 70 percent in 1985.

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CSO: 4007/234

FORECASTS FOR 1986 FARM MACHINE, IMPLEMENT SALES

Beijing ZHONGGUO NONGJIHUA BAO in Chinese 9 Dec 85 p 7

[Article by Wu Fengqi [0702 7685 1477]: "Analysis of Factors Influencing Sales During 1986 in the Qinghai Provincial Farm Machinery Company System"]

[Text] Net sales of machinery in Qinghai Province have climbed steadily year after year since 1981. In 1984, net sales amounted to 42.5 million yuan, and estimates for 1985 call for a figure of 50 million yuan, up 17.6 percent from 1984, and more than two times again as much as the 1981 figure. Since Qinghai Province's economic, technological, and educational standards are relatively backward, and since the province has a poor economic foundation and little accumulated wealth, it has developed swiftly and its growth rate has been fairly high. Furthermore, as a result of the liberalization of credit during the first half of 1985 by the Bank of Agriculture, there has been more capital construction, township and town enterprises have developed fairly rapidly, and peasant and herdsman enthusiasm for participation in industrial sideline occupations and transportation has had an unprecedented upsurge. Both demand for farm machinery and purchasing power have increased extraordinarily, the volume of sales reaching a peak. It is estimated that supply and marketing of farm machinery throughout the province in 1986 will decline somewhat from 1985; however, the extent of decline will not be too great for the following reasons:

1. Qinghai Province's rural villages and pastoral regions have had bumper crops for successive years. Peasants and herdsmen have the desire to buy machinery and a certain amount of purchasing power to buy it.

2. Source of supply are fairly ample. Shortages of sought-after goods are becoming less and less frequent. Right now, a certain quantity of Changzhou hand tractors as well as large and medium size tractors are available from inventory.

3. As a result of the decline in sales of farm machinery during the first half of 1985, plus the dominant position that the farm machinery company holds, forecasts for 1986 call for a reduction in the number of units dealing in farm machinery, and a decline in transactions in other than principal channels.

4. As a result of the rapid increase in farm machinery and implements--particularly small farm machinery and implements--in recent years (the number of small tractors owned having doubled during the Sixth 5-Year Plan), during 1986, the peasants want list will be limited to fine-quality name-brand products for which it will be difficult to satisfy demand. As a result, sales volume will decline.

5. As a result of the fine quality service campaign and the diversification that the farm machine company has launched, sales volume for products other than farm machinery will continue to increase. Forecasts call for an increase of approximately 15 percent over 1985.

In view of the foregoing situation, it is anticipated that mechanized farm machinery and implements will be approximately 20 percent less than in 1985; there will be a slight decline in power used in agriculture, in drainage and irrigation machinery, and in agricultural and sideline products processing machinery. Partial mechanization, maintenance and repair, and spare parts will continue at the 1985 levels. Commodities other than farm machines will increase by approximately 15 percent over 1985. Net sales volume in 1986 for the province as a whole may drop 10 percent from the 1985 level, but will still exceed the 1984 level.

9432
CSO: 4007/234

SHAANXI

STEPS TAKEN AGAINST WATER CONSERVANCY PROJECT VANDALISM

Beijing NONGTIAN SHUILI YU XIOSHUIDIAN [IRRIGATION AND DRAINAGE AND SMALL HYDROPOWER STATIONS] in Chinese No 11, 30 Nov 85 p 3

[Article: "Shaanxi Adopts Measures To Deal Firmly with Vandalism of Water Conservancy Projects"]

[Text] There has been a lot of precipitation in Shaanxi in recent years, and the utilization rate for water conservancy facilities has dropped somewhat. In addition, after the rural agricultural production responsibility system was implemented, no responsibility system was settled upon for water conservation management. Water conservation management work has slackened to a certain degree, in some cases so much so that no one is tending the water conservancy projects. Some unlawful elements have taken advantage of this situation to stir up trouble and vandalize water conservancy installations. According to incomplete statistics, in the past half-year or so damage or theft has affected 27 kilometers of high-tension power lines, 3,300 kilometers of low-tension power lines and communication lines, 360-plus transformers, more than 1,850 electrical machines, over 1,670 water pumps, 44,000 meters of steel pipes and rubber hoses, and 240,000 blocks of concrete liner; more than 3,500 kilometers of irrigation ditches have been demolished and planted over; and 30 million-plus yuan worth of direct economic losses have been incurred. The region most seriously affected by vandalism to water conservancy projects is the central Shaanxi plain. Damages are particularly concentrated in field projects below lateral canals in the medium and large irrigation districts, and in well station water conservancy projects everywhere. These destructive activities have already brought grave consequences; in 1984 the effective irrigated land area declined 1.54 million mu due to human vandalism, water damage, capital construction on the land, and so forth. There are now an additional million or more mu of effective area where we cannot draw water in a normal fashion for irrigation.

Shaanxi's provincial party committee, government, and departments concerned all attach great importance to curbing vandalism on water conservancy installations. In the spring of 1985, after investigating the state of vandalism to water conservancy facilities on the central Shaanxi plain, the central provincial government office issued "A Circular on Resolutely Curbing Vandalism to Water Conservancy Facilities" at the beginning of June. On 17 June the provincial people's government also issued "An Urgent Notice on

Resolutely Curbing the Evil of Vandalism to Water Conservancy Facilities, and on Making Active Preparations for Drought Relief." These documents called upon the leading comrades of every county government to take command and send a group of cadres out for a month to divide up the work and mobilize the masses for action. Section by section and place by place, they were to carry out a survey, investigate the incidences of vandalism, and quickly restore the damaged water conservancy installations. Thereafter, at conferences concerned with the problem, the provincial party committee and the provincial government many times emphasized that we must do this job resolutely and strive to be effective, just as we would in rooting out fake medicines and counterfeit goods. Between 10 and 20 July provincial water conservation departments also dispatched five task groups to various locations, and at the same time provincial departments of agriculture and animal husbandry, departments of public security, supply and marketing cooperatives, and commerce departments also combined their functions to send out task groups, coordinate actively with each other, take prompt action, and prod every locality to launch investigations into vandalism at water conservancy facilities.

Based on incomplete statistics from Weinan, Xianyang, and other prefectures and cities, after a little over a month of work more than 900 cases have been recorded for investigation and prosecution. Investigations have been completed on 397 cases and 299 offenders were detained. Among these there were 18 groups, and 64 people were arrested, 44 were tried, 27 were incarcerated, and 21 were sentenced. Zhang Tianwen [1728 1131 5113], the criminal responsible for the most serious vandalism to water conservancy facilities, broke 34 transformers and caused 100,000 yuan worth of economic losses in Wugong, Ganxian, Xingping, and so forth, to a total of 34 different villages across 10 counties. After he was caught everybody was happy. After the Zhang Fushun [1728 1381 7311] ring was rooted out, which had committed 81 offenses and stolen 12,000 meters of electric lines, the masses responded with widespread acclaim.

Shaanxi has made some progress in curbing vandalism to water conservancy facilities, but in some areas the work is not yet on a solid foundation, measures are ineffective, and this evil vandalism has not yet been completely checked. The provincial government asks that strict investigation of water conservancy vandalism continue everywhere. The unlawful elements who engage in this vandalism must be severely punished. Theft ringleaders, habitual criminals in these theft rings, and other criminal elements who engage in abominable behavior should be publicly arrested and judged, and restrained according to law. Simultaneously, we must intensify our overhaul and cleanup of procurement work on obsolete goods and materials, and we must firmly attack and mercilessly punish those profiteers who match up machine users with theft rings and cut middleman deals for their own profits.

12510
CSO: 4007/180

SHAANXI'S KEY MARKET QUOTATIONS

Xi'an SHAANXI RIBAO in Chinese 25 Jul 85 p 2

[Text]

Shaanxi's Key Fair Market Quotations
(Market Administration Department of the Provincial Industrial and Commercial Administrative Bureau)

Price unit: yuan
Price quotation date: 20 July 1985

Commodity	Unit	Specifications	1	2	3	4	5
Rice	jin	Middling	0.38	0.28	0.30	0.24	0.30
Wheat	jin	Middling		0.20	0.21	0.19	0.25
Corn	jin	Middling		0.15	0.11	0.18	0.10
Soybean	jin	Middling	0.40	0.37	0.28	0.39	0.38
Raw peanut kernel	jin	Middling	1.10	1.10	1.00	1.16	1.10
Rapeseed oil	jin	Middling			1.45	1.50	1.50
Pork	jin	Middling with bone	1.60	1.25	1.20	1.20	1.10
Mutton	jin	Middling without bone		1.80	1.40		
Egg	jin	Fresh egg	1.15	0.98	1.00	1.30	0.90
Live hen	jin	Middling		1.30	1.10	1.30	0.85
Carp	jin	Middling fresh		2.50	2.00	2.80	
Apple	jin	Middling	0.45	0.50	0.30	0.35	0.30
Watermelon	jin	Middling	0.20	0.25	0.17	0.20	0.15
Green pepper	jin	Fresh		0.30	0.20	0.15	0.20
Potato	jin	Middling	0.10	0.12	0.08	0.06	0.07
Green Chinese onion	jin	Middling	0.18	0.06	0.05	0.10	0.10
Tomato	jin	Middling		0.13	0.12	0.06	0.12

Commodity	Unit	Specifications	6	7	8	9	10
Rice	jin	Middling			0.21	0.29	0.30
Wheat	jin	Middling	0.26		0.20	0.23	0.21
Corn	jin	Middling	0.14	0.15	0.17	0.14	0.11
Soybean	jin	Middling	0.30	0.30	0.38	0.37	0.36
Raw peanut kernel	jin	Middling			1.05		
Rapeseed oil	jin	Middling	1.50	1.55	1.50	1.55	1.60
Pork	jin	Middling with bone	1.20	1.30	1.10	1.20	1.10
Mutton	jin	Middling without bone	1.60	1.15			
Egg	jin	Fresh egg	0.96	0.95	1.20	0.90	0.88
Live hen	jin	Middling		0.90	1.30	1.25	
Carp	jin	Middling fresh			2.80		
Apple	jin	Middling		0.30	0.40	0.20	0.20
Watermelon	jin	Middling	0.25	0.13	0.10	0.18	0.25
Green pepper	jin	Fresh	0.20	0.18	0.08	0.24	0.30
Potato	jin	Middling		0.10	0.05	0.10	0.05
Green Chinese onion	jin	Middling		0.08	0.07	0.12	0.05
Tomato	jin	Middling	0.15	0.08	0.05	0.14	0.15

Key:
1. Tumen, Xi'an City
2. Jianguo Road, Baoji City
3. Renmin Street, Weinan City
4. Beiguan, Hanzhong City
5. Yabai, Zhouzhi County
6. Yihe, Suide County
7. Xing Town, Pucheng County
8. Chengguan, Chenggu County
9. Qi Town, Mei County
10. Chengguan, Shanyang County

9335
CSO: 4006/958

PRODUCTION, SALES OF CASH CROPS ANALYZED

Jinan NONGYE ZHIGHI [AGRICULTURAL KNOWLEDGE] in Chinese No 22, 20 Nov 85 pp 24-25

[Article by Zhan Shuyi [2069 2885 3015] of the Shandong office of the Ministry of Agriculture: "Analysis of the Situation in Shandong's Major Cash Crops"]

[Text] After the readjustments in the structure of agriculture over the past year, there have been major changes in production, supply, and demand for Shandong's major cash crops. In order that everyone may understand in a timely fashion the market situation for the various farm products, accurately analyze development trends, further improve next year's readjustments in the structure of agriculture, and reduce uncertainty in farm production and leadership, the following analysis of Shandong's major grain, cash crop, and truck farm production and sales is provided.

1. Grain Crops: In recent years, Shandong's grain production has been developing rapidly. This year the per capita grain output is projected to surpass 800 jin. Except for a few units which have suffered setbacks, there is overall realization of self-sufficiency in grain, with some areas reporting some surpluses. But from the standpoint of the nation as a whole, which has seen rather severe disaster-related shortages in the provinces of the northeast, supplies are tighter than they were last year when there was a relative surplus. At the present time, market shortages in all areas are rather large, primarily due to imbalances brought about between production and transformation. Of course there are circulation problems as well. Over the long term, with the rise in the people's standard of living and development of livestock and food-processing industries, present grain is far from fulfilling demand. Therefore, realistic and effective measures must be taken to promote farmer enthusiasm for planting grain. This is a major issue effecting national plans and the livelihood of the people. Among grain crops, of paramount importance is to get control over wheat production. This is not only because wheat output is high and stable, quality is good, and the commodity rate for it is high, but also because wheat is the primary farm crop. If wheat is well managed, stable grain increases can be assured, the multiple-cropping index goes up, and development of cash crops and other crops is promoted. Over the last 2 years the area of wheat plantings in Shandong has gradually expanded. The major thrust is toward increasing unit yields and quality.

Corn is Shandong's primary reed grain source. It is of pivotal importance in the development of animal husbandry. Moreover, export has opened a new sales route. Over the past half year, the market price has gone up across the board.

Thus, the prospects for corn production are considerable, and appropriate development can go forward. This is especially true in the region bordering the Huang He, where natural conditions are good and the potential for developing livestock production is great. There should be affirmative expansion of corn in some of that area. Yam beans have been removed from state procurement this year and the Shandong planting area is off almost 2 million mu. Sales avenues in areas of high concentration are constrained as well, and next year calls for even more controls are in the offing. Since soybean area and total production have been going down for the past several years, some localities have begun to show shortages. International demand is also high. Moreover, as the people's living standard continues to rise steadily, soybean consumption may go up. Thus, production should gradually be restored and developed from now on; and planting area should be expanded appropriately in the coming year. Market conditions are also good for rice, millet, sorghum, and assorted small grains; and these should be developed as appropriate to local conditions. Moreover, demand for Shandong's beer barley is growing and most of the product is now brought in from outside. All areas can go forward to adopt, test, and vigorously expand plantings.

2. Cash Crops: Cotton and tobacco within fixed state planning procurement should not show much change in demand in the near future, and production arrangements should be strictly linked to state planning and distribution. The nation has expanded plantings of peanuts this year by over 15 million mu, and total production may rise 30 percent. Shandong's plantings have increased by over 4 million mu, for a total projected production of 14 million dan. From the present standpoint, sales should be no problem. It is projected that even if plantings are expanded by 1 or 2 million more mu next year, sales should hold up. The state experienced a shortage of red hemp last year. This year many provinces devoted areas to considerable increases, and the market was suddenly glutted with supply exceeding demand. Shandong's plantings jumped from 200,000 mu last year to over 1.2 million this year, and projections are for a possible total yield of over 5 million dan. The province's actual demand is around 3 million dan, so over 2 million dan is surplus. There should be appropriate reductions next year, with plantings being determined by demand. Other cash crops should be developed in a stable fashion in accordance with market demand and local conditions.

3. Truck Crops and Melons: This year's overall vegetable market is: low supplies of major truck crops and high prices. Significant increases in small truck crops, with prices steady overall with some rises. The primary reason for reductions in large truck crops is last year's surplus of Chinese cabbage which led to considerable losses by truck farmers, who reduced planting areas. Moreover, yields of truck crops were down in the three northeast provinces, and the amount brought in from Shandong should be up from last year. The price of Chinese cabbage may go up significantly. However, the markets of the northeast are very unstable, with annual fluctuations of some magnitude in Chinese cabbage imports, so there must not be too much reliance on external markets. Based on the province's internal market demand, over and above appropriate increases in areas developed to certain major truck crops, small truck crops can be developed, and areas devoted to nurseries protected. Attention must be paid to appropriate crop-rotation arrangements to adjust for seasonal variations

in supplies. As for melons, Shandong's major area is devoted to watermelons. This year's planting was 1.06 million mu--up more than 400,000 from last year. The market has always been good and prices are relatively high. There should be appropriate developments in the coming year.

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CSO: 4007/218

SHANDONG STEADILY INCREASES GRAIN OUTPUT

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 21 Nov 85 p 2

[Article: "Grain Is at the Heart of Agricultural Readjustment in Shandong, the Planted Area Is Stable, and Output Has Risen Year After Year"]

[Text] Reporter Zhang Qijun [1728 6386 0689] reports that the Shandong Province CPC Committee and Shandong Provincial Government have not relaxed grain production during readjustments in agricultural structures and that they have laid a solid foundation for comprehensive invigoration of the rural economy.

During the Sixth 5-Year Plan, total grain output in Shandong Province has grown at a 6-percent annual rate. Total grain output during this period was over 270 billion jin, an increase of more than 40 billion jin over the previous 5 years. The amount of grain available per capita in Shandong has risen from the 1980 figure of more than 640 jin to more than 810 jin in 1985. Even more pleasing is that the well-known "big beggar household," the northwestern region of western Shandong, has moved out of the past situation of net annual consumption of more than 2 billion jin of unified sales grain and shifted to the sale of more than 2 billion jin to the state. There is a preliminary self-sufficiency and surplus in grain, which has guaranteed the vigorous development of economic work and all activities in rural areas. Cotton and peanuts are examples. During the Sixth 5-Year Plan, Sandong produced more than 114.1 million dan of lint cotton and more than 73.3 million dan of peanuts, up by more than 90.76 million dan and more than 78.48 million dan, respectively, over over the previous 5 years. The key to Shandong Province's ability to achieve stable growth in grain output lies in the establishment of a correct guiding ideology by the Shandong CPC Committee and Shandong Government during readjustments in agricultural structures. After making substantial breakthroughs in grain production over the past few years, Shandong has seen a shrinkage in the area planted to grain in some areas and a trend toward cash cropping. The Shandong CPC Committee and government noted soberly that Shandong is a large province with a population of more than 76 million and that a solution to the food problem certainly must be established within the province. A problem in grain would mean that cash crops would lose the basis for progress and that agriculture as a whole also would lose its footing. Moreover, the development of industry and breeding places ever greater demands on grain. For this reason, the Shandong CPC Committee and government have integrated the utilization of natural advantages with acceptance

of state plans and adaptation to market demand and clearly proposed the guiding ideology of "stabilizing areas, attacking monoculture, raising total output, and striving for a comprehensive bumper harvest." During the Sixth 5-Year Plan, the area planted to grain in Shandong stabilized at around 70 percent of the total area planted in crops, which has coordinated the relationship between grain and cash crops rather well. Although Shandong was hit by several unexpected natural disasters in 1985, total grain output may reach or exceed the all-time highs set in 1984.

They have paid attention to clearing up circulation channels and resolving the peasants' "difficulties in selling grain." Beginning in 1984, for example, grain departments throughout Shandong adhered conscientiously to the principle of opening up purchasing and not restricting or refusing purchases. They purchased a total of 16.9 billion jin of grain, and the problem of "difficulties in selling grain" did not appear in most areas. They also paid attention to focusing on grain conversion and gradually achieved benevolent cycles in cropping and breeding.

To attain even greater development of grain production during the Seventh 5-Year Plan, the Shandong CPC Committee further emphasized at the recently convened Shandong CPC Committee Work Conference the great significance of focusing on grain production in some areas with rather developed industry and sideline production that were neglecting grain production and where the sprouts of disorganized occupation of cultivated land had appeared. The Shandong CPC Committee and government decided that in addition to sensibly expanding the area of grain fields, they also are employing concrete measures to encourage grain production.

12539/7687
CSO: 4007/124

SHANDONG INCREASES AGRICULTURAL OUTPUT

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 25 Nov 85 p 3

[Article: "Shandong Has a Comprehensive Bumper Harvest in Agriculture, There Is an Obvious Increase in High Quality Agricultural Products--Fine Grains Account for 60 Percent of Total Grain Output in Shandong for the First Time in 1985"]

[Text] There has been an increase in fine grains, fine tea, improved varieties of cotton, oils and other high quality products among the farm and sideline products placed on the markets and supplied for export by the peasants of Shandong, who had a comprehensive bumper harvest in agricultural production in 1985.

Wheat production as a proportion of total grain output in Shandong rose from the 1978 figure of 35 percent ot the 1985 figure of 48 percent. Shandong expended the area planted to grain by more than 2 million mu in 1985 and grain output grew by more than 1 billion jin, all of it from wheat. This has led to historical changes in the structure of grains in Shandong. Output of wheat, millet, paddy and other fine grains reached 60 percent of total grain output in Shandong in 1985. Apart from a few mountainous areas and regions with special difficulties, the peasants have made fine grains the main type of grain. Sweet potatoes have been removed from the grain varieties sold to the state.

The area planted to large kernel peanuts especially for export surpassed 1.2 million mu and output exceeded 4 million dan. Green Chinese onions, garlic and other special products from Shandong achieved new development during 1985.

The increased market demand for high-protein lean meat has led to rapid development of grazing livestock. Inventories of cattle and sheep in 1985 were up by 10 percent over 1984, and rabbits were up by 63.7 percent. In 1984, there still were very few lean pigs but 400,000 were taken out of inventory in 1985. Poultry such as geese and ducks have grown very quickly and already have reached more than 20 million. Flocks of geese and ducks are now found throughout rural areas.

Marine products and freshwater fish in short supply have developed in a major fashion in 1985. Rongcheng, Muping, Changdao, Wendeng, Rushan and other

counties have established high-output base areas for prawn, scallops, sea cucumbers, and oysters.

Shandong has readjusted industrial structures according to changes in market demand, and agricultural, forestry, animal husbandry, sideline, and fishery products are developing in the direction of higher quality, which has brought about two new changes: they have adapted to export requirements and have even broader sales avenues, and results in agricultural production have improved, as agricultural product results have increased by 10 percent.

12539/7687
CSO: 4007/124

IMPROVEMENT OF SHANGHAI FOOD INDUSTRY REPORTED

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 16 Nov 85 p 3

[Article; "Shanghai's Food Products Industry Has a New Appearance--Import Technology To Transform Enterprises"]

[Text] The food industry in Shanghai has focused on the use of advanced foreign technologies and transformation of old enterprises, and changes in the production situation throughout the industry have been made within a short 2 or 3 years' time. Most plants in the Shanghai food industry are old enterprises. Over the past several years, they continued using their backward equipment and outdated technologies and were very unadapted to the need for development of markets and exports. In recent years, this industry has imported more than 20 production lines and more than 80 pieces (and sets) of key equipment. At the same time, they organized their own technical forces and carried out technical transformation in more than 80 percent of the old enterprises. For a long time, Shanghai had only a single hard candy product with poor competitive abilities. In 1984, the Shanghai Yimin No 6 plant and the Guanshengyuan Food Product Plant imported two different hard candy production lines. Hard candy in Shanghai now comes in four series: candy filled with Vitamin C, candy filled with chocolate syrup, coffee suryp and other oils and fats, candy filled with xiantao, fresh lichees, prunes and other fruit jellies, and candy filled with famous liquor centers and other liquids. At the first large scale food products exhibition in 1985, "Xiantao-filled" hard candy won the gold medal for total candy sales. In July, Shanghai's filled hard candy also broke into international markets.

During the transformation of old enterprises, the Shanghai food industry took aim at international markets and strove to export more and earn more foreign exchange. The Taikang Food Plant is one of the key plants in Shanghai that exports tins and cakes, but most of its equipment dates from the 1930's and 1940's. The food industry helped this old plant to import soft can production lines, Huafu cake production lines and key equipment for can production, which greatly improved the technical levels for production of export products. After the Huafu cake automated production line went into operation, automated control was achieved throughout, from the crushing of raw materials to product packaging. Sanitary conditions reached international levels and they created $4 million in foreign exchange, which was equivalent to the profits from 15 similar production lines. Development of the Shanghai food industry has begun

to change the people's traditional food structures. In recent years, nutritional, curative and convenient food products have become increasingly prevalent and the Shanghai food industry has begun to produce more than 220 types of new food products like rice flakes, pork-boiled rice, imitation flavorings, beef monosodium glutamate, blood-enriching soft candy, and so on. This has occurred infrequently in the Shanghai food industry.

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CSO: 4007/124

DEREGULATION OF VEGETABLE PRICES DISCUSSED

Shanghai SHANGHAI JINGJI [SHANGHAI'S ECONOMY] in Chinese No 5, 15 Oct 85 pp 15-16, 20

[Article by Wang Qilong [3769 0366 7893]: "Some Issues Involved in Further Deregulation of Vegetable Prices"]

[Text] Deregulation of the vegetable market and normalizing vegetable prices are major steps now underway in economic reform which relate intimately to the livelihood of the people. Shanghai began to implement the policy of "regulating eight and deregulating two" on 1 May of this year. That is, regulation continued on the major vegetables among 22 varieties which constitute 80 percent of the market, with state-run vegetable companies entering contracts with villages and brigades. The other 20 percent was deregulated, comprising minor vegetables among the 22 including early-maturing varieties and others of different color and size, which were allowed to freely enter the market at prices set by the trade. Over the following two months following implementation, the assigned purchase price for the state-run vegetable market went up 18 percent from what it had been in the same period the previous year, while the retail price went up 34 percent. Price levels overall were stable. But something new which happened was a clash between the "regulated" and the "deregulated" in the "regulating eight and deregulating two" policy. The "regulated" sector could not be regulated. Difficulties arose in performance on fixed-procurement contracts signed by production brigades with the state-run vegetable companies. Truck farmers were unwilling to sell vegetables to the state-run companies which they could sell on the open market. According to our understanding, as of the end of June there were already between 70 and 80 brigades which had breached their fixed-procurement contracts. Indications in the Huajiang Road market which is currently Shanghai's largest wholesale vegetable exchange revealed that May assigned procurements of Chinese cabbage were only 10 percent of original planning levels, while the figure for cucumbers was a mere 27.8 percent. June procurements of Chinese cabbage [baicai] young white Chinese cabbage [jimaocai] were at the 40-percent level. As far as the "deregulated" sector was concerned, these were prices which were uneasily controlled and which rose extensively. Thus, there were some comrades in the industry who alleged that "what was supposed to be regulated could not be, and what was supposed to be deregulated dare not be." What, then, was the cause of such a situation and what needs to be studied further in order to clear up the situation in vegetable pricing? Not long ago, we directed ourselves to an investigation of these problems. The cause appears to be multifaceted; and in any further deregulation of vegetable prices, the following three issues must be faced:

1. Requisite adjustments in state-run assigned-procurement contracts must be made to bring some sense to the pricing of vegetables as a basis for further deregulation. As far as the previous practice of always lowering prices when unified procurements then in effect were to be made, the reaction of truck farmers was that "raising vegetables makes less economic sense than raising grain or cotton." This time around they gave the following assessment: planting vegetables should be regulated on a frequent basis--the amount of labor that does into planting vegetables is much higher than that going into planting grain and cotton. Planting one mu of vegetables takes 120 to 140 labors (mandays) while planting grain and cotton only requires about 50. Comparing the labor force required to plant 2 mu of vegetables to that required to plant 5 mu of cotton: the gross income on a year's worth of vegetables is about 496 yuan. Farm expenses take 208 yuan of that for a clear profit of 496-208=288 yuan. A year's income for labor force is 576 yuan (288 x 2). Figuring on a harvest of 120 jin per mu if cotton is planted instead, gross income is 203.82 yuan. In 1 year, a wheat crop can be planted after the cotton is harvested at 480 jin per mu for a gross income of 81.94 yuan. So the total gross income on the two harvest is 285.76 yuan, minus farm expenses of 25 percent, leaving a clear profit of 224.32 yuan. Total income on 5 mu is thus 1,121.60 yuan. Obviously, planting cotton and grain is more profitable than planting vegetables.

Statistics in Huacao Township of Shanghai County reveal that last year three brigades planting grain and cotton had average income in excess of 1,000 yuan per worker while not one vegetable-planting brigades reached that figure. (The highest such brigade had a figure of 958 yuan while the lowest had a figure of only 743.) Moreover, last year was a banner year for vegetables. In addition, planting of grain and corn is seasonal; and in the off-season farmers can devote time to other wealth-creating activities. Conversely, vegetable farming requires constant care and leaves little time for such activities. Thus, in the old days of unified and assigned procurement farmers had little interest in planting vegetables. But once vegetable prices were deregulated and farmers were permitted to market them freely, whenever the exchange price in country fairs topped the state procurement price, the situation referred to at the beginning of this article then occurred.

Huacao Township has done some concrete comparisons in this regard. Within the township, the Chensiqiao brigade, which assigned vegetable fields out to households and deregulated planting and marketing, achieved a selling price which averaged 12.32 yuan per dan between January and June of this year, while the Hongguang brigade which had entered a contract with a state-run vegetable company and sold at the planning price only made 7.19 yuan per dan. This glaring discrepancy left farmers willing to take a greater risk and head for the marketplace instead of to the state-run procurement station. It is not difficult to see that the unwillingness of truck farmers to perform on their sales contracts was not brought about by deregulation of vegetable prices but by a new manifestation of an old problem. Obviously, with the gradual deregulation of the price of vegetables, the state-run companies are not going to have vegetables to sell to their customers if they fail to solve immediately the problem of depressing pricing at procurement. It follows that there is no point in even mentioning a role for the state-run vegetable market in arranging the

market and keeping down the prices of goods; and it further follows that any increase in deregulation of the price of vegetables is not going to go smoothly. Therefore, the prices set in contracts with state-run companies must be adjusted in such a way as to bring "deregulation" and "adjustment" into line with one another so that pricing of vegetables becomes more sensible.

2. Attention must be paid to making more improvements in the market mechanism and promote normal competition, which will create the necessary external conditions for whatever further deregulation of vegetable prices is necessary. Deregulation of vegetable prices implies that laws of pricing and of market supply and demand will automatically lead to adjustments in prices. Under such conditions, formation of reasonable prices cannot be divorced from the role of the market mechanism. The reason that current pricing of vegetables is in a predicament between regulation and deregulation is, among other factors, related to the fact that the market mechanism for price formation is still imperfect. From the standpoint of market supply, there are still very few farmers who have the capability to go directly into urban regions to market their goods freely. Under the best of circumstances transportation is by hand-held tractor. Generally it involves trucking behind a bicycle, which means that capacities are limited. There are even fewer small traders and peddlers who go to rural and township markets to buy vegetables to take themselves to urban areas to sell. From the standpoint of market sales, there are still few outlets for trading in country market vegetables in the city and no real feedback mechanism for market information in place. Thus, vegetables going to the free market make up a small part of the whole, both in quantity and variety; and there is still little of the competition necessary between truck farmers in the free market. This is especially true in the off-season, where a handful of sellers can get a corner on trading in the country markets and form into a covert "monopoly." As a result, there is little chance for any self-adjustment in pricing in the country markets to hold down prices. Therefore, conditions must be affirmatively created in the areas of improving transportation and shipping for truck farmers and in increasing marker facilities for trading in country market vegetables, so that there will be even more truck farmers who have the ability to enter directly into circulation. This will gradually bring some sense to vegetable pricing through the action of the market mechanism.

3. The relations between the state and the state-run vegetable marker must be elucidated and further improvements made by the state in tuning mechanisms for the vegetable market. There are still problems with the market-adjustment role being played by the state--in particular in the use of realistic economic methods to bring out the primary circulation role of state-run vegetable markets.

First of all, the state's control over the economic activities of state-run vegetable markets is still overcentralized, so that they are hindered in playing an intervening role in market adjustment and in holding down prices. We should distinguish between adjustments by the state and adjustments by the state-run vegetable markets. The former intervention and adjustment takes place with the interests of the state as a whole as a starting point. It must consider not only the interests of consumers and the ability of consumers to handle price increases, but also the interests of truck farmers and vegetable sellers. As a result, it is a "comprehensive tuning" of the interests of all three. By

contrast, the implementation of an economic accounting system in state-run vegetable markets and especially the stress on linking operating results up with the material interests of market workers will always devolve to a consideration of what is best for the state-run market itself. Objectively speaking, it would be difficult for the state-run vegetable market to take upon itself entirely the economic agenda of the state itself. The state-run market serves primarily to implement the intentions of the state at a higher level through the activity of buying and selling vegetables. If its own economic interests are going to be diminished, this will assuredly influence its own amenability to participate in market adjustment. The current version of the problem is exemplified in reports from the Meizhou Road market in Yangpu Prefecture, where in the latter part of June there was a severe shortage of wild rice stems and the purchasing station of the state-run vegetable company market was unable to get to the root of the supply problem. It sent people all over to make purchases, and costs were from 14 to as much as 18 yuan per dan, while the retail list price set by the state was 17 yuan. The market had to sell at the state-set price and made little profit. In mid-August, a shortage of winter melons occurred and the country market exchange price per jin topped 0.18 to 0.20 yuan per jin. The state-run market enlisted people to send to Chaozhou and Jinhua to make purchases including freight. Costs reached 8.5 fen per jin, while the regulated retail price was 6 fen per jin. Even with a 3 fen subsidy provided by higher authorities in the responsible department the state-run market made no profit and even suffered losses. If this continues for very long, how are they to maintain interest in participating in market adjustment and in holding down prices? Therefore, the relations between the state and the state-run vegetable markets must be reordered, giving the markets the necessary authority to set and change prices. At the same time, supervision must be strengthened so that they can be flexible in carrying out their business and reasonable concern paid to their own economic interests as they perform their price-depressing role.

A second issue is that the ways the state goes about its adjustments are not resourceful, relying primarily on the method of "price subsidies" to maintain low price levels for vegetable sales. That is, the state-run vegetable company runs its wholesale operations by buying in at high prices and selling in lots at low prices to the various retail markets, making up the difference in subsidies from the state treasury.

Alternatively, rural governments are cajoled into taking subsidy funds out of the profits of township and town industries to subsidize vegetable production as an incentive to truck farmers to sell vegetables to the state-run vegetable companies. As an example, in Yangjing Township in Chuansha County, the township- and brigade-level authorities recently decided to subsidize leafy vegetables being sold to the vegetable company during the off-season months of August and September at 3 yuan per dan. These efforts played a major role in controlling jumps in vegetable prices and still continue to do so today. But at the same time, it was still necessary for the state to draft relevant laws and regulations to strengthen the process of market regulation, preserve adjustments, and hold down prices. For example, small-time operators were buying up vegetables as low prices from state-run vegetable markets and later selling them at high prices in country market exchanges, thus putting state subsidies

into their purses without adjusting or holding down prices. The legal system must be utilized to put a stop to such occurrences. Fixed purchase contracts entered into between state-run vegetable companies and villages and brigades should in addition to being based upon principles of mutual benefit and willingness be given specific performance by the legal system. Policies on giving tax preferences should be studied and enacted for those vegetable markets showing positive participation in market adjustment and effectiveness in holding down prices. All in all, the problem of a lack of resourcefulness in state adjustment methods must be solved so that further reforms in vegetable prices can proceed smoothly.

12303/7051
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VICE GOVERNOR BAI QINGCAI ON RURAL SITUATION

Taiyuan SHANXI RIBAO in Chinese 8 Dec 85 p 1

[Article: "Vice Governor Bai Qingcai [4101 3237 2088] Passes Word to Province's Rural and Urban Populace that Grain Situation Is Good but that Production Must Still Be Stressed"]

[Text] Vice Governor Bai Qingcai recently stated that Shanxi's grain is not so excessive as to fear selling difficulties; however, it is not in short supply either, and there is no cause for concern. Everyone should have accurate information.

He stated that ever since the 3d Plenum of the 11th CPC Central Committee, the grain situation has been good in Shanxi, as is true nationwide. Last year's total output in the province amounted to 17.44 billion jin--up 3.3 billion from 1978--for a per capita average of 670 jin. These increases in production resulted last year in the beginnings of a balance between purchases and sales. However, there is still a need to substitute higher for lower qualities and adjustments in types grown. Oil production also showed extensive increases, quadrupling from 60 million jin in 1978 to more than 230 million last year. With stable increases in grain and oils as a foundation, sales have been good. In 1978, grain purchases under assigned level prices and negotiated prices increased 3.1 billion jin, from 2.1 billion to 5.2 billion. That is to say, output increased 3.3 billion jin in just a few years. Assigned procurements by grain departments increased 3.1 billion jin, which is by far the greatest proportion. So-called selling difficulties are just sporadic and due to the temporary phenomenon of storage inadequacies. Oil procurements increased last year from the prior 20 million jin to over 80 million (including negotiated purchases). Cereal production and the purchase and sales situation for cereals demonstrates that the living standards of the people of Shanxi have definitely risen. Consumption levels for the province's nonfarm population went from an average of 496 jin in 1978 to 600 last year per capita. When negotiated price purchases are added, it amounts to 742 jin. The quality of most has gone up greatly as well. This year, Shanxi had some local catastrophes, but initial projections are for total output to reach 16.2 billion jin--still a bumper year. Reserves of assigned and negotiated-price procurement assure an abundant surplus for the province even if some grain is not being procured on assignment.

Vice Governor Bai stated that the farmers of the province should be told that per capita standards in grain output for Shanxi are up to national levels; so there is really no problem of overproduction here. All regions must be absolutely wary of information about relaxing grain production because of "selling difficulties;" and should make it clear to farmers that production of grain and oils is a high priority. Fixed-procurement contracts should be fully honored. Once these fixed-procurement contracts have been performed, grain departments shall inaugurate affirmative negotiated-price purchase and sale operations. Grain production should be tackled so that no matter how much is produced, the state can procure it. We must adjust types to suit local conditions, producing wheat and oils, so that we can make up for our shortfalls and also get good prices and improve incomes.

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PROCUREMENT PRICE READJUSTMENT REPORTED

Taiyuan SHANXI NONGMIN in Chinese 18 Dec 85 p 1

[Article: "Reports From the Provincial Grain Working Committee State That Fixed Procurement of Grain Will Be Done on a Three-Year Basis; Fixed Procurement Price To Be Readjusted in Part"]

[Text] The meeting of the provincial grain working committee which concluded on 10 December has put out the word that in the period from 1986 through 1988, fixed procurement contracts for grain will be unchanged. Planned procurement will be maintained for edible oilfats and oils on a year-to-year basis.

As 1986 arrives, the province has issued orders to all localities that urban fixed procurement plans call for 3.08 billion jin. Types for fixed procurement include: wheat, husked rice, corn, sorghum, soybeans, millet, and naked oats. Fixed procurement volumes and types will remain unchanged for 3 years.

Procurement Price: Price for wheat will be set beginning on 1 June 1986 according to the "inverted 2 : 8 ratio." For soybeans, beginning 1 April 1986, the unified procurement price will be adjusted from the present 31 yuan per jin to 34.5 yuan per jin. Price for husked rice, corn, sorghum, millet and naked oats will still be set according to the "inverted 3 : 7 ratio."

Mode of Fixed Procurement: Contract fixed procurement and closed account modes should be unified as much as possible. The principles that whoever signs a contract should close accounts and whoever sells grain should receive payment should be adhered to. Such diverse modes as procurement fixed according to household, granary, and village should be adopted, with emphasis upon procurements fixed by household.

Edible Oil Procurement: The province has determined and passed on to all locales that planned urban procurements of edible oil are set at 100 million jin. Types for procurement comprise: peanut, sesame, cottonseed, rapeseed, linseed, yellow mustard seed, and other oils. The procurement price should be consistently set according to the "inverted 4 : 6 ratio." The price per jin for safflower seed should not exceed 0.4 yuan; and contracts at negotiated prices should be signed with farmers. Procurements of oil products outside of planning should be done as free purchases.

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SHANXI

GRAIN PURCHASES FIXED FOR 3-YEAR PERIOD

Taiyuan SHANXI RIBAO in Chinese 13 Dec 85 p 1

[Article: "Provincial Grain Working Commission Releases Information: Grain Procurement Fixed for 3 Years; Partial Readjustments in Fixed Procurement Prices"]

[Text] Reporter Xu Jing [6079 7231] reports that information gleaned from the meeting of the provincial grain working commission which concluded on 10 December 1985 reveals that between 1986 and 1988, grain contracts will have procurement fixed for the entire 3 years. Assigned procurement of edible oils and oilfats will still be under planned procurement at yearly intervals.

As of the beginning of 1986, the state has determined that Shanxi will contract for fixed procurement of a total of 3 billion jin of grain. Fixed procurement plans already issues to the various prefectures and cities are for 3.08 billion jin. Types to be procured include: wheat, unhusked rice, corn, sorghum, soybeans, millet, and naked oats. Volumes and types for fixed procurement are to remain unchanged for 3 years.

Fixed Procurement Pricing: Wheat will be priced according to the "inverse 2 : 8 ratio" after 1 June. Unified procurement price for soybeans will be readjusted on 1 April from 31 yuan per jin to 34.5 yuan per jin. Unhusked rice, corn, sorghum, millet, and naked oats will still follow the "inverse 3 : 7" price ratio.

Mode of Fixed Procurement: Contract fixed procurement should be linked to the accounting mode of procurement as far as possible. The principles that whoever has entered the contract should be given an accounting and whoever sells grain is paid should be adhered to. Diversified contracting with households, granaries, and villages should be adopted, with the emphasis on households.

Edible Oil Procurement: Planned 1985 assigned procurement of edible oils from all prefectures and cities amounted to 72 million jin. In 1986, the state has fixed a figure of 80 million jin for the province. Amounts fixed by the province for all prefectures and cities is to be 100 million jin and for self-sufficiency in edible oils. Types for assigned procurement comprise: peanut, sesame seed, cottonseed, rapeseed, Hu sesame, yellow mustardseed, and other oil types. All pricing will be according to the "inverse 4 : 6" price ratio. Safflower oil shall not exceed .40 yuan per jin for assigned procurement; and negotiated price contracts should be signed with farmers. Beyond planning, purchase and sale of oils shall be unregulated.

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SHANXI

SIXTH 5-YEAR PLAN ACHIEVEMENTS IN AGRICULTURE OUTLINED

Taiyuan SHANXI NONGMIN in Chinese 4 Jan 86 p 1

[Article: "Steady Development of the Province's Agriculture During the Sixth 5-Year Plan"]

[Text] The year that just ended, 1985, was the final year of the Sixth 5-Year Plan. What progress did Shanxi Province make in agriculture during the Sixth 5-Year Plan? To find out, this correspondent paid a visit to the Provincial Agriculture and Animal Husbandry Department where comrades told him happily that the Sixth 5-Year Plan period had been the best one since founding of the People's Republic. This was manifested in the following specific ways:

Accelerated Development of Agriculture With Marked Rise in Both Economic Results and the Commodity Rate: Speed of growth of the gross output value of agriculture during the Sixth 5-Year Plan is expected to reach 7.7 percent for a 1.3-fold increase over that of the Fifth 5-Year Plan period. Rural gross social output value reached 9.2 billion yuan in an increase that averaged 13.8 percent per year. Figured in per capita labor terms, the rural social output value in 1985 reached 1,483 yuan, double the 1980 figure. Earnings from rural product sales are expected to reach the 3.65 billion yuan mark in a 2.5-fold increase from 1980.

All the major production quotas in farming and animal husbandry for the Sixth 5-Year Plan were overfulfilled ahead of schedule. Outputs of grain and cotton overfulfilled the Sixth 5-Year Plan quota a year ahead of schedule. Output of oil-bearing crops overfulfilled Sixth 5-Year Plan quota 2 years ahead of schedule. Outputs of other products such as large livestock animals, dairy products, and poultry eggs all overfulfilled Sixth 5-Year Plan quotas by 1 or 2 years.

Substantial Increase in Peasant Earnings: In 1980, peasant average per capita net income for the province as a whole was only 155 yuan. In 1984, it reached a little more than 300 yuan. It is expected to increase further for 1985. For the province as a whole, the problem of sufficient food and clothing has been basically solved.

Preliminary `Results From Readjustment of the Structure of Farming and Animal Husbandry: The year 1985 was the first year in the second step of rural

restructuring, and Shanxi Province's industrial structure underwent major restructuring. Now, the structure of the farming industry tends to be more rational. The ratio of grain to cash crops throughout the province was restructured from the 80 to 20 percent of 1983 to 75 to 25 percent in 1985. Animal husbandry has grown by leaps and bounds. Changes have taken place in the makeup of the rural labor force. The labor force employed in farming declined from the 5 million of 1984 to 4.3 million in 1985. In the breeding industry, the workforce increased from the 500,000 of 1984 to 630,000 in 1985. In other industries, the labor force increased from the 300,000 of 1984 to 2.85 million in 1985.

In short, as a result of advances made during the Sixth 5-Year Plan, the whole province has entered a transitional stage from being fairly needy in the past to having food and clothing and heading toward being comfortably well-off. It has also laid a good foundation for realizing the goal of quadrupling output value by the end of the present century.

9432
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SHANXI BOOSTS INCOME OF RURAL HOUSEHOLDS

OW251156 Beijing XINHUA in English 1114 GMT 25 Feb 86

[Text] Taiyuan, 25 Feb (XINHUA)--In Shanxi Province, on Northern China's loess plateau, the soil is not the best for farming and peasants remain poor, although conditions are improving.

With subsidies and investments of more than 100 million yuan, the provincial government has been trying to boost the economy of the area by mining local mineral resources, introducing scientific farming practices, and improving transportation facilities so crops can more easily make their way to markets.

Today the local statistical bureau offered evidence that the measures have worked--the average income of Shanxi's rural residents last year reached 355 yuan per capita, 200 yuan more than in 1980.

A closer look at the figures indicates that improvement in living standards in rural Shanxi has been widespread and rapid since 1980. Poorer families with average per capita incomes below 200 yuan dropped from 44.8 percent to 17.5 percent.

Families with 200-500 yuan average per capita incomes grew from 51.5 percent to 67.1 percent. Families with 500-1,000 yuan average per capita incomes went up from 6.8 percent to 13.1. And those with average per capita incomes higher than 1,000 yuan increased from 0.6 percent to 2.4 percent.

Not too long ago, officials said, many peasants earned less than 100 yuan per person a year.

To help the poorer families out of poverty, the Shanxi provincial government has subsidized 31 mountain counties with 60 million yuan a year and provided interest-free loans to help boost rural industry in these areas.

Relief funds were used to build 204 rural industrial businesses in Luliang Prefecture, the poorest area in west Shanxi, employing 3,400 households with an annual income of less than 200 yuan per capita.

These businesses yielded total output value of more than 10 million yuan last year and made a profit of two million yuan. The annual income of the households reached 600 yuan per person last year.

A crucial cause of the economic improvements here, officials said, has been the current rural economic reform limiting state-ordered production quotas and linking income to output.

"This has freed many peasants to engage in commercial businesses and work in industry," said one official.

By the end of last year, in fact, the province's 347,000 rural industrial businesses and mines employed 2.14 million peasants, accounting for 29 percent of the province's total rural labor force.

These businesses yielded a total output value of 8.57 billion yuan and made a profit of 1.35 billion yuan last year.

The provincial government has also helped unemployed workers in the poorer counties find jobs in mining in other parts of the province.

In one of its most successful projects, the province sent 200 of its top scientists to Shanxi's poorest mountain regions to study local natural resources, train technicians and formulate development plans, which the province then subsidized with two million yuan.

The plans were designed to build the most projects with quickest results for the smallest investment--and that, officials said, is just what they did.

For example, 14 of the scientists are working at a village in Linxian County to teach residents how to cultivate dry land crop and develop animal husbandry.

As a result, the village was able to harvest 1,065 tons of grain last year and the average per capita income of the residents rose to 390 yuan, from a little more than 300 yuan a year ago.

As a result of other provincial investments, bus service now links more than 90 percent of Shanxi's rural areas. Planning has begun on four local railroads totaling 520 kilometers and ten highways, which will connect five remote mountain counties to developed areas.

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CSO: 4020/233

BRIEFS

CORN EXPORTS NOTED--According to "Market Information Report," Shanxi will export 1 billion jin of corn next year. Shanxi's corn has become prized on the international market due to its high quality. Recently, the departments of economics and trade and of commerce have issued planning quotas for export of Shanxi corn at 500,000 tons (1 billion jin), or one-fourth of total annual output. Performance of next year's quota will place Shanxi in second place among provinces in commodity exports, which is a good sign for Shanxi's economic development. First, it will bring in $50 million. Second, it will help alleviate imbalance problems in the province's coarse and fine grains. Once the corn is exported, the state will bring in wheat and husked rice. Third, it will optimize advantages and improve farmer enthusiasm for planting grain to make Shanxi into a production base for the export of corn. Leading comrades in the provincial government have recently called a special meeting to request that all levels of the provincial government and departments concerned make arrangements as early as possible. [Text] [Tianyuan SHANXI NONGMIN in Chinese 16 Dec 85 p 4] 12303/9274

CSO: 4007/219

EXPANSION IN AREA SOWN TO HYBRID RICE REPORTED

Hybrid Rice Area

Chengdu SICHUAN RIBAO in Chinese 25 Dec 85 p 1

[Article: "Road to Modernization of Sichuan's Seed Work Expands; Shanyou No 2 'Withers'; Shanyou 6-3 'Takes its Place'; Area Devoted to Hybrid Rice Expands To Become Largest Percentagewise for Entire Nation"]

[Text] "At the present time Shanyou No 6-3 may completely replace Syanyou No 2, which is suffering from a serious blight, and substitute for it!" This welcome news was put before reporters at the closing session of the provincial working committee on seeds on 19 December by Luo Jirong [5700 4949 2837], president of the provincial seed corporation.

According to the report, Sichuan has brought medium-long grain slow-maturing Shanyou 6-3 from Sanming, Fujian, which is close in growing season to Shanyou No 2, but has a higher cluster rate and ear length. Its maturity rate is above 80 percent. Its grains are large and heavy, and the rice is high in quality. It is blight-resistant, and when set out in the fields can bring yields of approximately 1,000 jin per mu. The best yields may surpass 1,200 jin per mu. This year the test plot area grew to 460,000 mu; and farmers welcomed it. Projections for next year are for up to 15 million mu.

Over the past 7 years, Sichuan's seed work has seen its best period since liberation. At the present time, a system for propagation of improved strains is being put into place throughout the province. The pace of expansion of improved strains is picking up. The approval period has now gone from the 4 or 5 years of the past to 3 years. The rapid spread of improved hybrid rice strains has turned around the situation in which for a long time yields hovered around 500 to 600 jin per mu. It has become the workhorse for Sichuan's grain increases, and the expansion area has already reached 57.7 percent of the total area planted--placing Sichuan first in the nation. Units of the provincial seed corporation have one by one organized 9 experimental projects for 330 new species of crops. Of these, 25 varieties have been approved by the provincial seed-approval commission, and 30 more are set for approval.

The summarization of the experience of the provincial working committee on seeds further illustrates its commitment to a vital seed industry in service of farm production, to a Chinese road to modernization in seed work, a commitment to

improved economic returns bringing together supply and sales, a commitment to self-reliance and to joining together with the state in supporting accelerated creation of a seed system, commitment to a spirit of reform and to opening up a new situation in seed work, to giving Sichuan a quality of operations, and implementation of a seed company which at all levels is a model of service to enterprise operations, which is constantly improving, and which has an ever improving reputation among farmers.

Improved Seed Strains Promoted

Chengdu SICHUAN RIBAO in Chinese 25 Dec 85 p 1

[Commentary: "Strengthen the Work of Seed Management"]

[Text] Agricultural crop seeds are special means of production which have live and hereditary functions. The spread of improved strains has an important place and role in increasing farm yields. Therefore, seed production and operations must be managed conscientiously and continually strengthened.

Whatever management systems and regulations hinder productive force in rural economic reforms must be themselves gradually reformed, in order to facilitate development of productive force. Whatever must be relaxed in reforms should be relaxed, and whatever must be managed more tightly should be. Strengthening of seed management and revitalization of the economy must never be placed at odds with one another.

The work of strengthening seed management basically means serious measures to control confusion in seed production and operations, to ensure the interests of the farmer, stop the spread of blights and pests, and promote steady agricultural increases. Sichuan's success in popularizating and implementing the "Regulations for Managing Farm Crop Seeds in Sichuan" has been manifest. Nevertheless, there have still been occurrences of spurious seed replacing genuine, inferior mixed with superior, disconveniencing of farmers, and unauthorized shipment, replication, popularization, and price increases--all of which must be stopped. The production and management of agricultural crop seeds should primarily be the responsibility of all levels of the seed corporation of the Ministry of Agriculture. Hybrid and related strains, seed stocks for various crops, and new varieties which need to be reproduced and spread quickly should all be under the unified planning, production, storage, and supply of the local seed corporation; and no other unit or individual outside of planning should carry out reproduction, control of planting, or management of hybrids or any other related strains. No strain not yet approved or found inadequate is to be popularized. Typical cases of violation of the "Regulations" should be dealt with strictly to ensure the smooth progress of modernizing seed work.

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CONSTRUCTION OF COUNTRY TRADE FAIRS ACCELERATES

Chengdu SICHUAN RIBAO in Chinese 13 Nov 85 p 1

[Article: "The Pace of Rural Trade, Fair Development in Sichaun Accelerates--Make Use of Country Fair Trade To Promote Invigoration of the Commodity Economy"]

[Text] In order to adapt to the development of commodity production and the need for reforms in circulation systems, industrial and commercial administration departments throughout Sichuan Province have accelerated the pace of construction of country trade fairs. The number of trade fairs in the urban and rural areas of Sichuan Province now has grown to 6,620, up by 872 over 1980. The markets cover a land area of 12.14 million square meters, up 1.5-fold over 1980.

The role of urban and market trade has become increasingly obvious as the construction of markets has developed. First, after the trade fairs became an important channel of circulation, they promoted invigoration of the urban and rural economies. The number of commodity product varieties coming to market in urban and rural trade fairs across Sichuan has increased from the 100-plus varieties of the past to more than 1,000 varieties now. Sales in the trade fairs have grown year after year and were up by 27.67 percent between January and September of 1985 compared with the same period in 1984. This is the third instance of substantial growth following that in 1979 and 1980. Second, they are providing large amounts of daily necessities to consumers in cities and towns. According to statistics for more than 400 urban markets, besides the rather small amounts of grain and oils supplied to urban consumers by the peasants in 1984, sales of other products like meat, poultry, fresh eggs, aquacultural products, vegetables and so on were equivalent to more than 30 percent of retail sales in state run commerce in the cities. The amount of poultry was 9-fold greater than that supplied by state run commerce. Sales of many commodities in trade fairs from January to September of 1985 have exceeded or are approaching the levels for all of 1984. Third, they have provided employment opportunities for idle labor power in urban and rural areas. The number of individual industrial and commercial households that have been approved by industrial and commercial administrative and managerial departments in Sichuan exceeds 1.2 million families and more than 1.5 million persons. Peddler households not yet certified number 800,000 people. Fourth, they have promoted the formation and development of small cities and towns.

Now, nearly 1,000 trade fairs are receiving more than 10,000 visitors, and many industries in these trade fairs have undergone corresponding development.

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CSO: 4007/129

SICHUAN

ORANGE EXPORT INDUSTRY NEEDS REVITALIZATION

Chengdu SICHUAN RIBAO in Chinese 17 Nov 85 p 2

[Article: "The Orange Export Industry in Sichuan Urgently Requires Invigoration"]

[Text] We must construct improved variety foreign trade base areas, improve the layout of fruit processing, build commercialized packaging plants and use high grade high quality oranges to compete in international markets.

Yearly orange exports are about to begin. Sichuan began exporting oranges in 1951, began achieving success in 1953, and achieved an all-time high of more than 24,000 tons exported in 1964. The success of orange export work has changed China from an orange importer to an orange exporting county. We applied orange exporting technologies and also opened up domestic markets for Sichuan oranges, which ended the former total reliance on sales within the province itself. After this, oranges gradually became one of Sichuan's leading export commodities, accounting for about one-half of all orange exports in China for a very long period. Orange production has become the main body of fruit production in Sichuan and output has grown from the level of a few 10,000 tons shortly after liberation to about 500,000 tons at the present time, first place in China.

The main targets of China's orange exports are the Soviet Union, Mongolia, Korea and other nations, while Hong Kong, Macao and Southeast Asia have become a second large market. In recent years, however, the orange exporting situation in Sichuan has not been ideal. Although output of oranges has grown significantly, exports have fallen off. After reaching the historical record of more than 24,000 tons in 1964, it hovered around the 10,000-plus ton level for a long time and only 9,000-plus tons were exported in 1984. After 1982, exports to markets in Hong Kong, Macao and Southeast Asia basically ceased and were abandoned. The quality of Sichuan's exported oranges has been consistently good, but frequent indications of poor quality have appeared in recent years, to the extent that large amounts of them were returned in 1983 because of rotting.

Orange output in Sichuan in 1984 was more than double that in 1980, and about 10-fold more than shortly after the nation was founded. Ideally, large amounts should be supplied for export to create more foreign exchange. How is it, therefore, that exports have decreased, markets have shrunk, and quality is unstable?

1. Growth in orange output has not kept pace with increasing social demand, while sources of export goods remain in short supply. Although there are increased amounts of oranges in China, the per capita amount of oranges still is only a little more than one kilogram for China as a whole, which is low by international standards. Since the 3d Plenum of the 11th CPC Central Committee, the living standards of the Chinese people have improved and demand for hygenic and enjoyable fruits has risen substantially. In addition, the fruit processing industry in Sichuan has developed very quickly in recent years and demand for fruit raw materials has grown manyfold. The increased demand and smaller supplies have led to shortages in sources of materials and competition everywhere to make purchases, which has had a major effect on the completion of export plans.

2. Prices for incoming goods have risen, which has led to losses for exports and difficulties for foreign trade exports. After implementation of multiple circulation channels in 1980 and especially after the elimination of assigned purchases and allowing them to follow the market in 1984, the purchase price for Sichuan oranges has more than doubled. This has caused dramatic increases in the costs of export fruits, and the oranges intended for export now have experienced losses. The cessation of exports to Hong Kong and Macao markets is due precisely to excessive losses.

3. Picking and commercialized handling techniques have been damaged and commodity quality has not been guaranteed. Shortages in sources of oranges have meant that everyone is competing to buy them and cases of terrible early picking, crude picking and sudden picking are rife. This not only affects the quality of the oranges but also has seriously damaged their ability to withstand storage and resist diseases. The result is shortened supply periods, extremely short processing periods, and other harmful consequences. Moreover, there now are extremely few standardized packaging plants and most depend on "self-production and self-packaging" and "household-run plants." Good and poor quality fruits are mixed in together, technical levels are uneven, and product quality varies considerably. Foreign countries, however, place increasingly higher demands on commercialized processing technologies for fruit, and the difference is becoming greater.

Sichuan has excellent natural conditions that are suited to the growth of orange trees, and output at present cannot be considered small. In the past, Jin [6930] oranges exported by Sichuan had a very good reputation and the selling price of navel oranges consistently was rather high. The material foundation for orange exports was strong. For this reason, we should strive to expand exports, create more foreign exchange, and make use of Sichuan's advantages in oranges, and we should work for the development and formation of a large industry. In the long term, we first of all should strive to concentrate plantings of improved tree varieties in ecologically suitable regions in a planned manner and establish modernized orchards, and we also should select several counties with rather high output, convenient communications and higher quality fruits for determination as product source base areas for purchasing export products. Second, we should improve fruit processing, arrangements, improve processing levels, and produce industrial foods at modern levels. Third, in the area of fresh fruit exports and sales, we should

plan to build modernized, commercialized orange packing plants in export material base areas and strengthen commercialized processing work. Fourth, there should be a substantial proportion of improved orange varieties in Sichuan, and export oranges no longer should be limited to popular goods of dependable quality. No additional materials are required for exporting high-grade products while foreign exchange income does increase, so it should be attempted.

Orange exports come under state trade and must guarantee quality, amounts, and completion according to schedule to abide by promises. Several new problems in orange export work in Sichuan at present require resolution, and we should adopt certain measures according to local conditions to guarantee the completion of orange export tasks. Administrative departments at all levels should work under unified governmental guidance to coordinate purchasing; they must not compete to make purchases or intentionally create shortages. Even more, they should not make purchases of fruit in foreign trade base areas or hinder, fulfillment of export plans. Commercial departments should set standards for packaged orange products for fruit buyers or producers, provide conscientious inspection of grades for purchases in foreign contracts, and adhere to the policy of higher prices for higher quality. There should be strict adherence to fruit picking techniques to prevent the picking of green fruit or crude harvesting. Fruit picking plans should be restricted to the appropriate times and carried out methodically. There should not be excessive administrative interference, nor should things be allowed to proceed uncontrolled. The appropriate administrative measures should be adopted now.

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OUTPUT OF AMBARI FAR EXCEEDING SALES

Chengdu SICHUAN RIBAO in Chinese 17 Nov 85 p 2

[Article: "Production of Ambari Exceeds Sales, Administration Must Be Invigorated"]

[Text] Production of ambari insufficient to satisfy sales in China in 1984 caused prices to drift upward. Readjustment in agricultural structures during 1985 expanded the planted area and a nationwide situation of overproduction relative to sales has reappeared. Annual output of ambari in Sichuan in 1985 will surpass 3 million dan and set a new record high. Apart from the one-fourth processed and consumed within Sichuan, the remaining three-fourths must be shipped out to other provinces or exported.

Sichuan must think of ways to sell more ambari more quickly rather than creating overstocks or cutting back on production in future years. The focus should be placed on "early, high quality and inexpensive." First, shipment for sales should be handled early. Output insufficient to meet sales in 1984 reduced factory stores, causing some to stop production while waiting for materials. We should seize this opportunity to utilize Sichuan's advantages in ambari harvests and early processing. It should be purchased and shipped out quickly. We should not wait to sell at a good price, hoard it for speculation, or miss opportunities. Second, quality should be high. Purchasing and outside sales should conform to quality standards. At present, quality should be the focus, and we should adhere to forming each kilogram into S-shaped pieces to facilitate utilization by industrial departments and the needs of export and foreign sales to increase competitiveness. Third, the price should be reasonable. The level of purchase prices for ambari in Sichuan in 1985 are in the mid range nationwide and do not have the advantage of low prices. While formulating administrative sales prices, we should strive to reduce profits and sell more using flexible prices to promote sales and expand domestic and foreign sales markets.

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ON UNDERSTANDING CURRENT GRAIN PRODUCTION

Chengdu SICHUAN RIBAO in Chinese 28 Oct 85 p 4

[Article by Li Jitai [2621 0679 3141]: "Several Points To Understand in Current Grain Production"]

[Text] Editor's note: Comrade Li Jitai's essay is directed toward different points of view on this year's grain production. The essay's analysis is very thorough, the evidence is complete, and it is quite full of insight. It is worth reading.[End Editor's note]

Grain cultivation is one of Sichuan's four basic industries. This year's reduced grain output has for the time become the center of public attention. However, only by opening up new ways of thinking can we avoid the negative effects of fixed modes of thought and prevent following again the old road which took "grain as the key link." I will here discuss several problems in understanding current grain production.

According to the initial estimates of relevant departments, the total grain output this year will be 6 to 8 percent less than last year. This decline, coming after 8 consecutive years of increases in Sichuan's grain production, had been predicted. Starting in the second half of last year, we began to adjust the mix of crops being cultivated. At that time, relevant departments in the central government felt that 800,000 million jin is an average figure representing the level of Chinese grain production; during the restructuring of rural production, there is no need to fear fluctuations within 10 percent of total grain output. Sichuan also feels this way. Based on precisely this understanding, so far this year we have been accelerating the pace of restructuring and are intentionally guiding the peasants' enthusiasm for increased production into wider areas of production.

The reduced output of grain is fundamentally a normal fluctuation for grain production on a fairly high level. In regard to control of the total amount, after this year's decline in output, Sichuan's grain output still maintained the level of 1982, when there was a bumper harvest. The 76 billion jin of grain from that year effectively ensured continued economic development in Sichuan for the next 3 years. There is no reason for us to determine that the same amount of grain would instead deal a fatal blow to the currently fine economic situation, unless we ourselves make serious mistakes in the control and allocation of grain. Thus, there is no need to turn pale at the mention of grain.

It is very possible that the actual range of the drop in grain production is not as serious as locally reported to the higher authorities. This is not merely because of the frequent errors made in calculations using estimated production figures from samplings; there are the following factors to consider: The policy giving special support to poor mountainous areas has change the tone of county reports, with more reports of bad news than reports of good news; for the past few years there was talk of grain as a contribution, and in a considerable number of villages, it was calculated according to the contracted output; starting this year there was no more emphasis on the size of the grain contribution, and so there is less exaggeration in the output reports collected from each county. In contracts fixing grain procurement, the tendency toward "centralized procurement" or becoming "mandatory" also strengthened the peasants' fear of frequent changes in policy, leaving the peasants with no choice but to report less than they harvested, or even to report none of their harvest. The conclusion that there is a relative surplus of grain has never been widely accepted, so that small market fluctuations make people feel ill at ease. Society's lack of confidence in grain makes it easy for people to exaggerate the problems existing in grain production. Although we cannot use quantitative indices to express these factors, we can positively say that they enlarge the discrepancy between each locality's reported output and its actual output. When analyzing the degree of the fall in this year's output, we should give full consideration to these feelings and not allow our estimates of the problems in current grain production to make the problems appear worse than they are.

We should admit, however, that our estimates failed to account for the sudden, steep movement in the grain output curve from the crest of the wave to the bottom in a short period of time. The comprehensive research report on strategies for the social development of Sichuan's rural economy stated that in reducing the area planted in grain, there is a safety margin which cannot be crossed: by the end of this century, there must be no fewer than 130 million mu. In 1984, Sichuan had 146 million mu planted in grain; based on this figure, for the next 15 years there are only 16 million mu of leeway. But this year, in 1 year's time, the area planted in grain was reduced by 7 million mu. Compounded by declines in per-unit yields, grain production is showing signs of rapidly approaching the safety margin. If this tendency cannot be checked promptly, grain production is in danger of going out of control. We cannot treat this problem lightly.

This year's decline in grain output is principally due to the interaction of market attraction and administrative pushing. The reduction in grain acreage and the drop in per-unit yields is nothing more than the form of expression of these two forces in action. To regard the latter as the principal cause of the smaller harvest is a misconception that is one of the negative effects of fixed thinking.

The total grain output is the product of the planted area and the per-unit yield, a basic fact of statistics. Basic facts often have the effect of governing the tendencies in people's thinking. The mere mention of the reasons for reduced grain yields easily causes people to think first of two factors, area and per-unit yield. In terms of causal relationships in the

system, if the market grain price is somewhat low, this restrains the enthusiasm for planting grain, and peasants automatically reduce the acreage and lower their investment, thus causing a drop in total output. It is difficult for us to make a correct prescription if we look for the cause in acreage and per-unit yields. To a very large extent it would be "wishful thinking" for the government to regard stable acreage and increased per-unit yields as its countermeasure. Should the government wish to rely on the power of administrative orders to make peasants passively accept this "countermeasure," this is not in harmony with the main theme of rural reform.

The decisive effect of attractive forces in the market was the premise for the state's abandoning centralized procurement of grain. The irrational price parities for agricultural products and the enormous income disparities within agriculture, industry, and commerce, have drawn the peasants' production enthusiasm to areas outside of grain cultivation. Rather than say that reduced output of grain is due to the peasants' lack of enthusiasm for growing grain, we should say that signs of loss of true value have steered the production initiative of peasants in other directions. Understanding this will at least help us to clarify two points: (1) the peasants' reorientation is normal and rational; (2) there is a definite blind element in this reorientation; only by rationalizing price relationships will it be possible to reduce and finally eliminate this mindlessness.

Administrative impetus has a positive effect on restructuring production. The problem is that if the pressure is too sudden and too hard, it will not only encourage the blind element in the reorientation of agricultural production, it will also seriously encroach upon the peasants' interests. The leaders of some counties and districts do not care to be "grain secretaries," and so gradually they forcibly regulate the ratio of grain to cash crops. Some of them try their hardest to "exhort" peasants to plant forage crops on land suited to grain, bringing about a sharp decline in grain acreage. This could have been avoided in the first place.

This year is not the only one with natural disasters. However, the reduced output of paddy rice was closely connected to damage from rice blast. Some believe that the large-scale prevalence of rice blast this year was a result of the monoculture created by increased use of paddy rice hybrids. There is definitely some truth to this opinion.

What measures should be taken for future grain production? Rationalizing the parity price relationships of agricultural products, diminishing the enormous income disparities between agriculture, industry, and commerce, and adjusting prices when there are signs of distortion, are fundamental measures for ensuring steady increases in grain production. Other supplementary measures cannot take their place. We can never skirt around this point and hope to find a correct solution to the grain problem.

Low grain prices harm peasants, poor peasants produce little grain, and little grain leads to soaring prices: these imply a self-regulating mechanism. Backward transportation and communication and the conservative production mentality of peasants have made the transmission, reception,

analysis, and feedback of price signals into a slow process, and have also weakened the self-regulating ability. To encourage the steady growth of grain yields, we should make full use of this self-regulating production system. This should be one of the starting points in formulating grain policy.

We should appropriately soften the strictness of procurement contracts, stabilizing the amount procured at a level which can basically satisfy the needs of the military and the urban population. Additional grain that the state requires can be obtained through purchases at the market price. This will expand the market demand for grain, enlarge the market's ability to stimulate the grain price, and enable peasants to receive an average profit for producing and selling this amount of grain. The grain which the state sells to areas lacking grain and centers of cash-crop production should gradually be sold at its purchase price, and, following progress in urban reform, grain used by city and town industry should, when there is the opportunity, be bought and sold at the same price. This will reduce financial subsidies.

Because there is not full market competition and tax management has lagged behind, the overly high incomes in industry and commerce include a portion of excessive profits and illegal income. In comparison, the external environment of peasant grain production has worsened and the "blind flow" of rural labor and funds has been encouraged. Using tax revenue and other economic levers to distribute nationally the excessive profits and illegal income will undoubtedly diminish the enormous income disparity between agriculture, industry, and commerce and secure the position of grain cultivation.

Reducing the price of agricultural production materials through financial subsidies and lowering the level of taxes and profit turned over to the state will harm the rationalization of industrial enterprise activity and also cannot stimulate the peasants' enthusiasm for investing more in grain production. Since peasants are unwilling to plant grain because of the low income, what good will it do to lower the price of chemical fertilizers and farm chemicals?

Let industry subsidize agriculture. Use a portion of funds from rural industry for the technical transformation of agriculture, so that the trend of rapidly diminishing grain cultivation can be delayed or stopped. However, due to Sichuan's weak foundation for rural township enterprises, township finances cannot make ends meet; except for a few areas, "industry subsidizing agriculture" is still only a conceptual guide and hypothesis. On the whole, it will be unable in the near future to reveal fully its beneficial effect on grain production.

The peasants' excessive burdens are not a direct cause of this year's reduced output of grain, however, they easily arouse antagonism among peasants. Reducing senseless burdens will help urge peasants to accept the guidance of the national plan and stir up their enthusiasm for making a greater contribution in grain.

In terms of its relative significance, the somewhat low output value for grain is caused by the relationships of irrational prices. As for its absolute significance, it is retribution for the production methods used to open and cultivate flat surfaces. The full use of fallow paddies in winter and expanding the area of dry land with three crops per year can improve the multiple-crop index and achieve relatively high actual yields. But because it is unable to effectively improve the ratio of inputs to outputs--"3 times 3 is 9, but better yet is 2 times 5 equalling 10" ["my old dependable way is better than your fancy new ways"]--it cannot be widely welcomed by the peasants. The only basic way to solve the problems of grain production is to practice three-dimensional agriculture, using fewer inputs to obtain greater outputs per unit area of land by means of integrating farming, animal husbandry, and processing.

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SICHUAN

BRIEFS

FRUIT OUTPUT--In 1985, Sichuan had a high yield and bumper harvest of citrus fruit, buying and selling were brisk. The citrus seed industry, foreign trade, and processing industry all achieved excellent economic results. Income for labor and service involved with citrus transportation, processing, and packaging increased, state taxes also increased. Based on preliminary statistics, the social output of citrus fruit in the province was more than 550,000 tons in 1985, a 22 percent increase over 1984. Because fruit farmers increased production and because fruit prices rose, the net increase in income was 160 million yuan. The export of fresh fruit earned 5.7 million U.S. dollars in foreign exchange. The output value of the processing industry using fruit for canned goods, juice, and wine increased 60 percent over 1984. As of the end of 1985, all channels procured more than 330,000 tons of fruit, purchases by the supply and marketing system accounted for about 60 percent. The province exported 200,000 tons of citrus fruit. [Text] [Chengdu SICHUAN RIBAO in Chinese 8 Feb 86 p 1]

CSO: 4007/302

BRIEFS

URUMQI MILK SUPPLY--Urumqi, 19 Feb (XINHUA)--Each resident of Urumqi, capital of northwest China's Xinjiang Uygur Autonomous Region, drank 13.7 liters of milk last year, almost doubling the figure for 1980, the XINJIANG DAILY reported. More than 13,000,000 liters of fresh milk were sold in Urumqi last year, local officials said. This makes Urumqi, a city with a population of 1.16 million, one of major cities with the best milk supply in China. There were 6,056 milk cows being raised around Urumqi last year, 2.8 times the 1980 figure. To bolster the city's milk supply the Urumqi authorities have made efforts to raise more dairy cows and improve the breeds in the past five years. Last year, each cow in the state dairy farms produced 5,400 liters of milk on average, 613 liters more than in 1980. [Text] [Beijing XINHUA in English 0735 GMT 19 Feb 86 OW] /8309

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GRAIN PRODUCTION MUST NOT BE RELAXED

Kunming YUNNAN RIBAO in Chinese 11 Nov 85 p 1

[Commentary: "Grain Production Must Not Be Relaxed"]

[TExt] The method of maintaining tight control over grain production used in the Li Jiang Naxi Autonomous County is well worth discussing.

To maintain a firm grip of grain production, it is first necessary to earnestly alter the idea that grain production can be taken lightly and relaxed. In recent years, many cadres have noted that Yunnan has had 5 successive years of bumper crops and that people in many areas have overcome the problem of food and clothing. Many feel that since grain production has overcome a major hurdle and that anxiety over food has disappeared, grain production should be given free rein. Leaving no room for doubt, since the 3rd Plenum of the 11th CPC Central Committee, Yunnan has registered remarkable growth in grain production. In 1984, for the first time, gross value in grain output in Yunnan broke the 20-billion-jin barrier, and increase over 1979 of 4.24 billion jin. The total growth in grain production during the last 5 years is equal to 52 percent of the growth in grain production for the previous 30 years. This is a circumstance rarely seen in the past 30 years. However, we must soberly observe that both the level of grain production and the per capita volume in Yunnan is well below the national average. Production for a typical unit is 20 percent under the national average and average per capita productivity is about 25 percent lower; there are also some areas in Yunnan where the people still have not solved the basic problem of food and clothing. Moreover natural conditions in Yunnan are complex and disasters occur frequently making grain production unstable. This year many areas first suffered from droughts, then from flooding, causing a reduction in output. This clarifies the problem.

It is of prime importance to realize that if growth in grain production is unstable, there is no basis upon which to continue the readjustment of the rural production structure. Yunnan has an abundant variety of excellent commodities other than tobacco, sugar, and tea waiting to be developed. Hence it is imperative that the production structure continue to be adjusted. But if grain production fails to increase, land will not be available for other plants and cash crops and Yunnan will not be able to take advantage of its natural endowments. Also, if grain production does not increase, the breeding and processed-food industries will suffer restrictions, influencing the improvements in daily life of both rural and urban dwellers. Moreover, rural

labor will be unable to transfer its energies to other areas of production and to the development of integrated management of agriculture, industry, commerce, and shipping. It should also be pointed out here that it is unrealistic to believe, as some do, that Yunnan can depend on grain transfers from other provinces to help promote the readjustment of the rural production structure. If a small amount is transferred annually, that is acceptable. But in Yunnan transportation is poor and distances between shipping destinations great, so if a large volume of grain were transferred from other provinces, the shipping cost would be high and hence the expenditure great, making it uneconomical. Thus Yunnan must become basically self-sufficient in grain. The rate of growth in grain production is closely related to the overall problem of national economic development and social stability. It is the foundation for the readjustment of the rural production structure and a factor in the coordinated development of other industries. Each area must put grain production in a prominent position and it can neither be relaxed nor neglected in the slightest. In the future, even more of our energy must be focused on guaranteeing the continuous, stable growth of grain production throughout the province.

To assure steady growth in grain output, not only must ideological awareness be reconciled, but we must also emphasize technological transformation, raise the level of scientific cultivation, and stress the raising of unit productivity. At the same time, it must be guaranteed that a definite area is planted in grain. As far as possible, cash crops should not occupy good grain land and good paddies. If land is to be withdrawn from grain cultivation and restored to forest or pasture, it should be carried out realistically, step by step and one section at a time, so as to avoid precipitous rises and falls in grain production. Grain production must be given due assistance in every area. Outside of financial support provided by the nation, each county is responsible for providing definite financial and material support to aid in the growth of grain production. Relevant departments must actively provide grain farmers with water supplies, machines, plant protection, and technical services. In order to maintain the positive attitude of the farmers, in areas where rural enterprises are growing quickly, a method of "industry subsidizing agriculture" can be set up based on the strengths and capabilities of the particular area. By diligently working to reduce the income gap between industrial and agricultural workers and inspiring farmers to realize that there are benefits to be had, grain production can be increased.

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YUNNAN

USE OF STORED GRAIN AS PRICE CONTROL LEVERAGE URGED

Kunming YUNNAN RIBAO in Chinese 10 Nov 85 p 1

[Commentary: "Make Sure Grain **Is** Stored Well"]

[Text] In recent months, headway has been made regarding the fixed-quota grain-purchase contracts as all levels of government have improved their leadership. This commentary will explain the need to carry out the painstaking task of political indoctrination so that this duty can be completed.

At present, grain in storage has been uneven throughout the province and in some places grain is not being stored quickly enough. The main reason is that some cadres and people lack a complete understanding of this year's proportional purchase price. They would rather "hold back grain and hedge on inflation." Thus a combination of propaganda to effectuate the spirit of the National CPC Congress and a process of painstaking thought-reform directed at grassroots cadres and the masses is necessary to clarify the rationale behind the pricing system. This year's proportional pricing is a significant reform in the fixed-quota grain-purchase contract system. Before this year purchases from rice paddies beyond a certain volume drew a higher price, which lead to a situation in which the proportion between grain, other cash crops, and livestock products was irrational. In this year's proportional price system, areas that depend heavily on grain production will receive suitable price subsidies out of a concern that grain farmers receive realistic benefits. Based of calculations of last year's integrated purchasing price of rice (which included general price, bonus price, and double bonus price) and this year's real proportional grain-purchasing price, farmers in most areas will see very little reduction in their incomes. Moreover, since price controls of vegetables and pork have been relaxed, farmers' real income may increase. Prices for all agricultural products are now becoming more rational, which is beneficial to the development of the entire rural economy and to the peasants themselves.

When it is time for contractually purchased grain to be stored and after contracted grain obligations have been completed in the high-production areas, the grain departments can negotiate more sales and purchases in accordance with market demand. A diligent effort must be made to restrain grain prices at rural markets, for stable grain prices must be maintained there. In places where grain prices are high, a planned method to curb them must be enacted;

at rural markets where grain prices are low, the trend must be carefully controlled so that when inflation is discovered, restraining measures can be taken at the right moment. The application of pricing levers to guide the grain market must be mastered. It should be noted that farmers desire to sell rice, so if the market price of grain is stable, the attitude of farmers toward "holding back grain and hedging on inflation" will change and they will sell their grain to the nation.

It is hoped that the grain department will do a better job and go all out to get grain into storage as well as facilitate the farmer's sale of grain. Storing grain is a vital job, but deadlines cannot be set as they were in the past. According to the revised purchasing contract, payment will occur immediately following the purchase, which is most convenient for the people. Finally, upper level grain departments should not judge lower level departments by the speed with which grain is stored, but according to the quality of their service.

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TEA PRODUCTION RISING RAPIDLY IN YUNNAN

Kunming YUNNAN RIBAO in Chinese 3 Nov 85 p 1

[Article: "Tea Takes Three Strides Forward in Yunnan in Past Five Years; Circulation Improved, Exports Increase "]

[Text] Tea production has grown rapidly in Yunnan during the past 5 years. Output this year may exceed 600,000 dan. Total output, intraprovincial sales, purchasing expenditures, self-managed enterprise exports, and foreign exchange all have more than doubled since 1979.

For a long period, tea production and purchases in Yunnan hovered between 200,000 and 300,000 dan. By 1979, self-managing enterprise tea exports still did not exceed 33,000 dan and foreign exchange earnings were $6.4 million. Since the 3rd Plenum of the 11th CPC Central Committee, the provincial CCP and the Yunnan government have been determined to promote tea production and make every effort to expand the production of tea for export as well as guarantee marketing outlets and stimulate domestic sales. Moreover, they promulgated a series of policy measures geared toward developing tea production. Tea-refining plants have effectuated a profit-rebate plan; they also receive a subsidy for crossing into different regions to get raw tea. Tea purchasers can get a bonus on grain, and if a tea purchase surpasses a set amount, a jin of grain is awarded for each additional jin of tea purchased and the tax is reduced as well. And economic assistance is being offered for the transformation of low-production tea plantations. The Yunnan Tea Import-Export Co. also supports tea production through financial aid, interest-free loans, and assisting in the cost of production. This year the system of tea distribution was restructured; now there are many avenues of distribution as against only one before.

The enactment of these policies has mobilized the positive participation of peasants in tea regions as well as tea plant and management departments. Major tea-producing areas have embraced tea as the backbone of prosperity. Areas with the right conditions are actively developing new tea plantations. From 1981 to last year, more than 100,000 mu of low-producing tea plantations were transformed each year into 76,000 mu [as published] of high-producing fields, allowing total tea output to take three great strides in 5 years. In 1981, the 400,000-dan barrier was broken; in 1983 it was the 500,000-dan barrier and this year production will surpass 600,000 dan. Following the

restructuring of distribution outlets has been the active promotion of tea plants to produce tea for export; both the quantity and variety of export tea has increased. If you compare this year with 1979, self-managed enterprise tea exports are 200 percent higher, foreign exchange earnings are more than 100 percent greater and intraprovincial sales have reached 200,000 dan, an increase of nearly 100 percent. Finally, income of tea farmers has increased by more than 14 million yuan over last year.

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WAYS TO ACCELERATE TEA PRODUCTION

Kunming YUNNAN RIBAO in Chinese 7 Nov 85 p 2

[Article by Su Fanghua [5685 5364 5478]: "How Can Tea Production Be Accelerated in Yunnan? Highlights of the Annual Yunnan Tea Society Conference"]

[Text] In the middle of October more than 70 tea experts and technicians of the Yunnan Tea Society came from various tea regions to meet in Kunming and research ways of promoting Yunnan tea, raising quality, developing marketing and exports, and standardizing production.

The participants analyzed the excellent trends in the Yunnan tea industry and took note of the great strides in tea output over the last 5 years. This year tea output may reach 600,000 dan, a reflection on the influence of present policies. Looked at in the long run, Yunnan tea has great potential for both domestic and foreign sales, so every effort must be exerted to its continued expansion. But there are still many problems. For example, in some tea-growing regions, the people detest planting tea because it takes so long to reap the benefits. Even though high-yielding tea plants are intensively cultivated, it still requires 3 years before it can be harvested, unlike the speedy results obtained by planting tobacco. Much of Yunnan tea is for export, but the tea market is fiercely competitive. Hence if the quality is not up to par, it will be squeezed out of the market. Experts feel "in suitable places tea must be actively developed, production per unit raised, quality controlled, suitable markets pursued, and competitiveness enhanced." These principles for development are quite realistic and should be resolutely carried out. This is a series of excellent recommendations.

Some experts recommend that planning commissions in various places take the initiative to organize work teams comprised of farmers and foreign trade department people to diligently carry out the measures and policies of the Seventh 5-Year Plan for the development of the tea industry. The plan is to earn foreign exchange by promoting and expanding the export of black teas from the ideal tea regions of Yunnan that raise black and Pu'er tea for export. To speed up the growth of the tea industry, tea industry technicians stress the importance of a continued relaxation of policies. Yunnan tea regions are generally mountainous and the tea former's grain ration is relatively small. Thus, the rice bonus must be maintained and suitable economic support should be given for the development of new tea plantations. Assistance must

continue to be provided for the transformation of low-producing tea plantations and special low-interest loans must be extended for construction and expansion of initial processing plants. The profit-rebate system currently operating should be simplified as should the subsidization of raw tea reallocation.

Many comrades reel that the technological weakness in the Yunnan tea industry is the main obstacle to accelerating its growth. At the same time that the specialization of the Yunnan tea industry is instituted, the Simao Agriculture School tea curriculum should have its staff and resources bolstered to enhance the learning environment and student recruiting should be stepped up. Vocational schools in the appropriate areas should establish a tea curriculum. Concurrent with the acquisition of knowledge and investment in construction, the development of good tea varieties must be accelerated and new high-quality tea plantations for the development of asexual propagation will be established in the major producing prefectures of Simao, Xishuangbanna, Lincang, Dehong, Honghe, Baoshan and the major counties of Menghai, Shuangjiang and Jinggu. The experts also recommend that relevant departments continue the job of transforming low-production tea plantations. During the Seventh 5-Year Plan, a group of standardized tea plantations should be developed that can achieve a productivity target of 200 jin per mu. The Yunnan government plans that by 1990 provincial tea production will reach 900,000 to 1 million dan and that 500,000 dan will be for export.

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ZHEJIANG

FLEXIBILITY KEY TO COMMON PROSPERITY FOR PEASANTRY

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
No 11, 23 Nov 85 pp 31-34

[Article by Chen Yan [7115 3508], Wu Minyi [0702 2404 0001] and Yao Xinshen [1202 2450 3947] of Zhejiang Province Planning and Economic Commission, Economic Research Institute: "The Route to Common Prosperity for the Peasants--Revelations from the Growing Imbalance in Peasant Incomes in Zhejiang Province"]

[Text] Major changes have occurred in the rural areas of Zhejiang Province since the 3d Plenum of the 11th CPC Central Committee, and peasant living standards have improved year after year. According to a sample survey of 1,020 peasant households throughout Zhejiang, the average net per capita peasant income was 446.4 yuan in 1984, up by 227.2 yuan over the 1980 figure of 219.2 yuan.

Why have peasant incomes apparently doubled in these 4 short years? What are the inherent mechanisms of the increase? Why is there imbalance in the growth? What common regularities are there? This article will attempt a preliminary exploration on the basis of theory and practice.

I. The Effects of the Three Major Breakthroughs in Rural Areas on Increases in Peasant Incomes

Price readjustments for agricultural and sideline products are one important factor in the increase in peasant incomes. One of the main reasons for the slow growth in peasant incomes over such a long period was that the prices of farm and sideline products were too low while the prices of industrial products were too high. This irrational price ratio made it impossible for the peasants to obtain more income from additional labor and suppressed their enthusiasm for production. In 1979, the CPC Central Committee raised prices for farm and sideline products by a substantial amount. The purchase prices for farm and sideline products in Zhejiang rose by 20.1 percent, and the peasants received more than 600 million yuan in actual benefits, the average peasant income rising by 18 yuan throughout the province. The price increases not only provided economic benefits directly to the peasants but also improved their enthusiasm for labor.

Readjustment of the relations of production in rural areas is the basic motive force in raising peasant incomes. Zhejiang Province tried out systems of production responsibility following the 3d Plenum of the 11th CPC Central Committee, but they became widespread only after 1982. By June 1983, 98 percent of the production teams in Zhejiang had implemented systems of production responsibility with household contracting for output quotas. This breakthrough in the relations of production and forms of administration caused agriculture to develop at an unprecedented pace, and peasant incomes have increased substantially. Average per capita net peasant incomes reached 346 yuan in 1982, up by 23.6 percent over 1981. Of the 472 households in Sanjie Village of Fuhai Township, known as a "village of flowers and trees," four households had annual incomes of more than 10,000 yuan, 20 percent exceeded 5,000 yuan, and 52 percent exceeded 2,000 yuan. A situation of "one person becoming wealthy and then carrying along a whole area" appeared.

Changes in industrial structures in rural areas are another important factor in the growth in peasant incomes. Continual perfection of systems of production responsibility in rural areas and flourishing development of the diversified economy and of industrial and sideline production also have led to obvious changes in industrial structures in rural areas. The leading force of rural industries surged forward in 1984. The output value of industrial and sideline production in Zhejiang reached 15 billion yuan, exceeding the value of agricultural output for the first time. This has led to basic changes in the monolithic focus on grain in rural areas. This sort of change in industrial structures is accompanied by the separation and movement of large amounts of rural labor power. The labor force in Zhejiang engaged in non-farming activities exceeded half of the total rural labor force for the first time in 1984. New shifts of labor power during 1984 exceeded 1.10 million. Average net per capita peasant incomes made a new breakthrough and reached 446.4 yuan, up by 24.4 percent over 1983.

II. The Mechanisms of Economic Development in Different Income Regions

Nevertheless, the development of the rural economy and growth in peasant incomes has been unbalanced. This lack of balance is manifested in spatial distribution by differences in per capita peasant incomes between different regions and even incomes between different peasants in the same region, and they remain large. It also is manifested in a time sequence in cases where peasants formerly had rather low incomes but now have jumped to the ranks of high incomes, with some people becoming rich first.

We have divided income into high, middle and low levels. According to a 1984 rural family livelihood survey, nigh-level incomes classified according to region are mainly distributed in the plains, where net per capita incomes were 498 yuan, some 51.6 yuan higher than the average. Middle-level incomes are found in hilly regions, where net per capita incomes reached 408.55 yuan. Mountain region incomes were at the lowest level, with a net per capita income of 367.83 yuan, nearly 100 yuan less than in the plains. Classified according to industry, peasant incomes were highest for vegetable growers in suburban areas, fishermen in fishing areas and in cash crop regions, where the average net per capita incomes were 1,109.5 yuan, 597.5 yuan and 559.96

yuan, respectively. They were lowest for grain and forest households, with net per capita incomes of 409.79 yuan and 367.3 yuan, respectively, both below the average. Classified according to specialized households and non-specialized households, the net per capita income of specialized households was 706.45 yuan, while the income of non-specialized households was 437.76 yuan. Classified according to the number of people supported by each laborer, data for 1983 showed that families with net per capita incomes over 500 yuan supported 1.32 people, families with incomes from 200 to 500 yuan supported 1.59 people and families with less than 300 yuan supported 2.12 people. Classified according to growth rates, the rate of increase in high income regions was greater than that in low income regions. Comparing 1984 with 1983, the growth rate for those with net per capita incomes over 500 yuan was 29.6 percent, 21.9 percent for those with incomes of 350 to 500 yuan, and 16.2 percent for those below 350 yuan.

The sort of static categorization and comparison described above only tells us the outline of the distribution of different income regions but cannot explain the mechanisms of different rates of economic development in different income regions. This requires in-depth analysis of the inherent factors in the economic development of different income regions and also requires an examination of dynamic characteristics.

First, change single farmland administration to economic diversification.

Agriculture is an ecological system with complex functions and multiple types. It requires close integration of all sectors within agriculture to form a benevolent cycle. In the past, however, we had a superficial understanding of agricultural development as meaning only the development of cropping, and that the development of cropping meant the development of grain production. The absolute majority of labor power was input in a concentrated way on a rather small amount of land. This does not conform with the needs of agricultural ecology, and it caused the incomes of the large numbers of peasants who were engaged solely in cropping to constantly be low, leading to the appearance of many poor villages with high output. Practice in recent years has amply proven that peasant incomes can be raised only through transformation of this type of single farmland administration. In Yinzhu Village, one of the grain producing regions of Tonglu County, for example, 700 mu of river beach land and 500 mu of land prone to waterlogging and drought with low grain yields were changed over and planted with mulberry trees. The average yearly income from planting mulberries and raising silkworms is 400 to 500 yuan per mu, more than three-fold greater than the original income from planting grain. Another example of economic diversification is the development of flower growing. The area planted in flowers and plants in Zhejiang reached 47,000 mu in 1984 and total output was 268 million yuan. The average output value per mu exceeded 5,800 yuan, first place in cropping. Sanshiliuwan Village of Dong'ao Village in Fenghua County is famous throughout China for growing five-needle pine. Per capita value of output exceeded 8,000 yuan and per capita net incomes were nearly 2,000 yuan.

Second, develop rural industries and change from a "focus on agriculture" to a "focus on industry." For a long time, a production pattern dominated by

agriculture has been in force in rural areas. The peasants wanted to become prosperous but could only think of agriculture. Events in rural economic development in recent years has forced everyone to acknowledge that the source of wealth in rural areas does not come mainly from agriculture but instead from industry. The outlet for the surplus labor force in rural areas does not lie in the cities but instead in development of rural industries. In 1984, the total output value of township and town industries (based on constant 1980 prices) reached 12.07 billion yuan and accounted for 45.8 percent of the total value of output in rural society. The development of rural industries has brought about historical changes in industrial structures in rural areas. In Shaoxing, Yinxian, Xiaoshan, Yuyao and Cixi counties, which historically have been places where "agriculture dominated," the total output value of township and town industries in 1984 exceeded 1.4 billion, 900 million, 700 million and 600 million yuan, respectively. Everyone calls these counties the "five contending tigers." In contrast, one of the reasons for the poverty of the peasants in some low income areas is that they have not developed rural industries. We can use the example of Huangyan County as an obvious comparison. This county has 15 townships and towns (21.13 percent of the total) with rather developed rural industries. About 70 percent of the labor force is engaged in industry, and the income from industry accounts for more than 60 percent of the total incomes of farm families. Its net per capita incomes exceed the average for the whole county, and a group of 10,000 yuan households has appeared. There are an additional 16 townships and towns (accounting for 22.54 percent) however, that are located mainly in mountainous areas. They are engaged solely in cropping and have very few rural industries. There is even one township and 297 villages that have had none to the present day. The peasants lives are poor and net per capita incomes are below 200 yuan.

Third, development of specialized markets and country trade fairs to enliven circulation is another economic mechanism that has increased peasant incomes.

The growth of township and town industries and the rapid development of regional specialized households and specialized villages are associated with the formation of a group of specialized markets. Specialized markets not only open up relationships between town and country but also increase peasant incomes. According to 1984 statistics, Zhejiang had 489 specialized markets and 2,058 rural trade fairs. The Qiaotou button market in Yongjia County has become a nationally famous button trade center that sells products to more than 200 button plants across China. More than 3,000 visitors and businessmen come from inside and outside of Zhejiang to trade here each day, and Hong Kong newspapers have called it the "world's premier large eastern button market." The initiation and impetus of the specialized market has led to the development of more than 90 button processing plants in Qiaotou Town and the surrounding rural areas with an annual output value of more than 15 million yuan, and they have made the local residents and peasants rich very quickly. But the situation is the same in Yongjia County, where the peasants still live very poorly in many areas because of a very underdeveloped commodity economy. The net per capita income of the peasants of the county was only 292.2 yuan in 1984, much lower than the provincial average.

Fourth, development of tertiary industries is a new path for making the peasants wealthy.

Because we placed superficial stress in the past on "producing first and living last" and ignored the development of tertiary industries, the result was food, housing and buying problems for urban and rural people. Commercial networks, food and beverage services, communications and transportation, posts and telecommunications, culture and entertainment, and other facilities were extremely backward. Rural commerce and the food and beverage industry in Zhejiang accounted for only 2.5 percent of the total output value of rural society, while communications and transportation accounted for only 1.62 percent. This not only made people's lives very inconvenient, but the lack of coordinated development between the primary and secondary industries and the tertiary industries also seriously inhibited the development of the commodity economy. In recent years, reforms in circulation systems and the development of township and town enterprises and specialized markets also has led to corresponding growth in tertiary industries in rural areas. More than 310,000 peasants are now engaged in commercial buying and selling activities in Zhejiang, "leaving the soil without leaving the village," while more than 50,000 have gone to small towns to open shops and set up stands, 174,000 are engaged in shipping and 230,000 are engaged in services. The development of tertiary industries has become a major path for the peasants to take in becoming prosperous. Jinqiao Village in Fuyang County has made great efforts to develop service industries, retail commerce, the shipping industry and so on. The total value of industrial and agricultural output was 18.88 million yuan in 1984, up by 6.52 million yuan over 1983. The value of output from tertiary industries accounted for 3.56 million yuan of this, equal to 54.6 percent of the new increase in output value.

Fifth, the out-shipment of rural labor is another characteristic of economic mechanisms in high-income regions.

Zhejiang Province has a large population and little land, with extremely abundant labor resources. Moreover, the people are hardworking and skilled. Many regions have traditional handicraft techniques and historically have sent out labor power to all provinces and cities of China. After the 3d Plenum of the 11th CPC Central Committee, we broke through the fetters of "leftist" regulations, and this strength has begun to be restored and grow once again.

According to incomplete statistics, Zhejiang has sent out 1.13 million people for labor services. More than 280,000 laborers have left Wenzhou City alone and has a gross income of 547 million yuan in 1983, equal to 39.3 percent of the total value of agricultural output in the city. The income per laborer reached 1,928 yuan. Jinyun County has more than 10,000 people who are raising ducks in other areas scattered across 13 provinces and municipalities, and the annual value of output is about 70 million yuan.

III. Deriving Common Regularities from the Imbalanced Income Growth

Different mechanisms of economic development have brought about differences in the poverty or wealth of peasant incomes. What are the primary objective

causes that create these different mechanisms of economic development? An exploration and clarification of this problem would contribute to achieving a basic solution to the problem of rural poverty.

First, the basic point of the three instances of major breakthroughs in rural areas, especially the latter two breakthroughs, was to raise the percentage of marketed products in rural areas. Since the rural economy has now become a commodity economy, making the peasants prosperous requires consideration of an inherent characteristic of the commodity economy, the law of value.

The law of value demands that consideration be given to two points during development of the rural economy: First, what to produce and how much to produce should be determined according to market capacity and demand. Concretely speaking, the question of what changes to make in industrial structures requires market forecasting and selection of industries with high income elasticity, meaning that we should select industries in which demand will increase as national income grows, not those in which demand will decline and shrink as national income increases. Second, the development of industries or products requires consideration of the relationship between production costs and market prices. One major weak point of rural areas in comparison with cities is their weak technical strengths and poor equipment and conditions. This means that rural labor productivity is rather low in relative terms. Under such conditions, industries and products chosen for development should consider the amount of socially necessary labor time required to produce a unit product. If the industries or products developed have poor results, they cannot serve as a direction for readjustments in industrial structures.

For the past several years, regions in which peasant incomes have grown quickly have respected this principle during changes in industrial structures. In contrast, there are some poor regions that have developed rural industries or tertiary industries with low benefits and poor results because they failed to start with market demand in developing industries or products, or because the industries or products they developed suffered serious losses.

For this reason, the first problem in imbalanced growth in peasant incomes concerns whether or not readjustments in rural industrial structures take into consideration the inherent characteristics of the commodity economy.

Second, a leading industry must be selected if we wish to make the peasants prosperous as quickly as possible. Leading industry refers to its ability to pull along other industries to form a new industrial chain. High-income regions consistently selected leading industries for economic development on the basis of the following aspects: The first was links with their surrounding environment, including market linkages such as the supply-demand situation, competition, ease of attaining information, and so on. The second was the natural resources of the local area, including the organizational components of the resources, amounts available, and so on. The third consideration was the environment, which can play a role in restricting industrial structures. Moreover, development of leading industries requires consideration of advantages in labor force structures and technical structures.

It should be noted that some regions have developed some new industries but the failure to select a leading industry meant that they were unable to free up a great deal of labor power to move the peasants toward high income locations.

Third, if we wish to raise peasant incomes we must pay attention to the development of industries with rather rapid growth in productivity when changing industrial structures. One thing about these industries is that they have few restricting factors, including restrictions in manpower, materials and finances. Second is that they readily gather momentum, meaning that once an industry or product is established it will become increasingly easier and opportunity will follow opportunity. An example is the Qiaotou button market in Yongjia County, as described above. Yongjia County as a whole remains a poor region and has no particular strengths, but the momentum factor enabled the formation of a national specialized button market. The third is benefits of scale. Any rational scale should not be restricted by the scale of management but should take note of the comprehensive role of the various restricting factors and whether or not they will be able to obtain maximum economic results. Some specializations have a very small scale but produce substantial results. Many areas have quite a few rural industries but poor results. The reason is that they did not consider the effects of the various comprehensive factors on the effects of scale.

Fourth, we must pay attention to science and technology and the use of skilled people. This is the key to economic invigoration and making the peasants prosperous. Practice has demonstrated to peasants in many high-income regions the truth of "no progress without talent." Scientific and technical personnel are considered the "gods of wealth" and are recruited regardless of cost. The economy in several counties in Hangzhou Prefecture has developed very quickly in recent years and the peasants are rapidly becoming prosperous. One important point is that they utilized talented people from urban enterprises and established ties with institutions of higher education for scientific research, production associations and so on. Practice has proven that all areas with concentrations of talented people and rather high educational levels have developed township and town industries quickly, and the peasants have grown prosperous quickly as well. This trend was obvious from the data of our family livelihood survey. In 1984, the net per capita income of peasants with upper middle school and college educations was 519.72 yuan. The net per capita income for peasant households with lower middle school and agricultural middle school educational levels was 448.83 yuan, while the net per capita income of elementary-level and illiterate people was 392.57 yuan.

In summary, if we wish to eliminate poverty and make all of the peasants prosperous, we must be able to adapt to changes in development of the rural commodity economy.

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China Report

AGRICULTURE

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AGRICULTURE DISCUSSED AS SOURCE FOR EARNING FOREIGN EXCHANGE

Beijing JINGJIXUE ZHOUBAO in Chinese 17 Nov 85 p 3

[Article by Lu Guisheng [7120 6311 3932] "Talk on 'Agriculture that Earns Foreign Exchange'"]

[Text] "Agriculture that earns foreign exchange" refers to those high quality and well known products produced or manufactured in rural villages that are able to enter the international marketplace, and industries that earn foreign exchange for the country. With the connotations and extensions of the concept of agriculture broadening, it has become impossible to restrict the scope within which "agriculture that earns foreign exchange" is comprehended to grain, cotton, oil and other crops. Liberally defined, it should include cultivation, livestock, aquatic, forestry, and township and town enterprises as well as rural labor, service, transportation, and so forth.

Why is it necessary to understand the definition of "agriculture that earns foreign exchange"? One, our country is a nation with an enormous rural population. After the 3d Plenum of the 11th Party Central Committee, productivity of the 800 million rural population quickened, and we need to realize that they are entering a commodity economy society with a new attitude. If the view of "agriculture that earns foreign exchange" is confirmed to products, product quality will not be able to quickly enter the world market since our country's technological standards are low, and it will be difficult to broaden our thinking because product quantity does not take up a large enough share of the market. Everyone will think our country is unable to become a major agriculture product exporting country, and we will tie our own hands and feet and accomplish nothing. Second, narrowly defined "agriculture that earns foreign exchange" will only make people beat their brains out over planting and make an issue over "land," and subsequently neglect the vast universe of productive human activity. In recent years our country's great expanse of rural areas has been in the midst of shaking off the fetters of traditional agriculture so that diversified economies have achieved rapid development. Many township and town enterprises in particular are enjoying a high reputation internationally, and have become a sudden new force in "agriculture that earns foreign exchange." Third, currently the ability of our country's industrial products to earn foreign exchange is weak. Energetically

developing a liberally defined "agriculture that earns foreign exchange" will prove decisive for our country's balance of trade deficits. Fourth, a liberal understanding of "agriculture that earns foreign exchange" can develop the strategic vision for organically linking together production of rural raw materials and production of finished products from processing enterprises, change the production style of our country's rural areas away from only providing raw materials, and speed up technical transformation in rural areas. Fifth, promote "agriculture that earns foreign exchange" to form a horizontally diversified and vertically multilayered, deeply systematic engineering industry. For example, the high grade beef industry must rely on the feed industry to develop the competitive ability to win exports, and the development of beef product processing and leather industry will then be able to further raise export earning standards. Taking exports to earn foreign exchange as a goal and joining together cultivating, breeding, and processing to form a linked system of export production have a strategic significance for unearthing the latent productivity of a major agriculture country.

What are the basic points for developing "agriculture that earns foreign exchange"? (1) Set up export targets for other countries, and plan a program for developing products needed by the target country. Start from the import market needs of the other country, make market studies of other countries one-by-one, and draw up a "menu-style" table of products needed by other countries. Carry this out for every product. Use this prediction of needs as a basis for organizing production sources for our country. Currently our country's study of the Hong Kong and Macao markets is clear, but we still lack a systematic survey of other country's markets. In particular, there are some country's markets that are wholly undeveloped virgin lands. Attention cannot be fixed only on a few countries; foreign exports must go everywhere. The more countries there are for export targets, the less the impact of fluctuations from the international marketplace. (2) Establish production bases for products that have regional superiority of natural resources, broaden the range of products exported, and raise the ability to export. After reform of the production plan for agriculture products, if the state monopoly becomes a market economy for commodity production, and construction of the production base is deregulated, export commodity production will become unplanned. Not only will quality not be guaranteed, quantity will also fluctuate up and down with changes in foreign trade purchases. It is necessary in establishing export bases to adopt on the basis of regional superiority in natural resources protective measures for production, such as protecting purchase prices and returning a portion of foreign exchange profits for investment in order to implement a market economy in the base areas. It absolutely does not negate a planned economy. It is necessary to arrange for export base construction on the basis of export assignments. (3) Gradually form economic institutions and systems that stimulate the development of "agriculture that earns foreign exchange." In the past, we had the habit of treating foreign export trade as an administrative duty to be assigned to localities, which made the localities passive in producing commodities for export. Some called this "blindman production" and "doing business separated by a mountain." Production units and foreign

trade departments had two different skins. Foreign trade departments were the only unit to earn foreign exchange, and agriculture departments seemed to be unconnected with the earning of foreign exchange. This system seriously affected the formation of our country's "agriculture that earns foreign exchange." Something worth reflecting on is the output-related contract responsibility system making farmers independent producers of commodities. Their productive behavior will be promoted by private operation.

"Agriculture that earns foreign exchange" is a guiding principle in the implementation of trade, industry, and agriculture integration. That sort of exporting which is monopolized by only the foreign trade [departments] is a way that in principle treats the main body of production as a colony, and is a method which harms production. What should be watched out for is the excuse of using the "smuggled goods shock plan" to kill off the newborn development of "agriculture that earns foreign exchange." (4) Explore the development of new management systems for "agriculture that earns foreign exchange." Let producers meet directly with the international market. Learn in this school of the marketplace how to develop production according to the market demand. An easy road to success is to organize an association for a trade or product. This sort of association certainly should have production departments participate, and moreover become a main component. Foreign trade departments should play a supporting role. Otherwise the primary and secondary will be topsy-turvy. (5) Price policy is the mainstay of "agriculture that earns foreign exchange." A correct price policy is a strong stimulant for developing "agriculture that earns foreign exchange." A mistaken price policy can only lead to the withering of "agriculture that earns foreign exchange." Examples of this are already plentiful. (6) There can be no doubt about the position of "agriculture that earns foreign exchange" in the national economy, but the traditional ideological ghost of "wanting the horse to run, but wanting it to not eat" still exists. The party's implementation of the guiding economic principle of opening up to the outside and enlivening the domestic economy will certainly bring forth springtime for the development of "agriculture that earns foreign exchange."

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OFFICIAL INTERVIEWED ON TRACTOR IMPORTS

Beijing ZHONGGUO NONGJIHUA BAO in Chinese 4 Nov 85 p 7

[Report on interview with Liu Huanwen, assistant manager of the China Farm Mechanization Service Corporation, by correspondent Yue Chuan [1471 1557]: "China Farm Mechanization Service Corporation Assistant Manager Liu Huanwen Answers Reporter's Questions on Tractor Imports"; date and place not given]

[Text] JINGJI CANKAO [ECONOMIC REFERENCE] and other journals have reported one after another the news that "a large volume of tractor imports has upset the domestic market," and this has raised attention in the domestic areas concerned. Recently, Liu Huanwen [0491 3562 2429], assistant manager of the China Farm Mechanization Service Corporation, answered our reporter's questions on the circumstances involved.

[Question] Manager Liu, please discuss the circumstances involved in China's importation of tractors from Czechoslovakia, the Soviet Union, and other nations.

[Answer] In the first quarter of 1985 China imported 11,000 tractors from Czechoslovakia and the Soviet Union. Of these, 6,600 went to the Ministry of Agriculture, Animal Husbandry, and Fishery's State Farms and Land Reclamation Bureau, 1,000 went to North China Station No 1 of the State Supplies Bureau's Mechanical and Electrical Equipment Corporation, and 3,400 went to my company. At the end of 1984 we found out that the Ministry of Agriculture, Animal Husbandry, and Fishery's State Farms and Land Reclamation Bureau wanted to import tractor models 6211 and 7211 from Czechoslovakia, and agricultural mechanization corporations from various provinces and autonomous regions one after another applied to the China National Machinery Import and Export Corporation to import them. At the suggestion of that corporation the various provinces and autonomous regions applied to import some of these through my company's centralized organization. Five northern provinces and four directly subordinate companies entrusted the matter to my company, which then applied to the State Supplies Bureau. The latter agreed to give my company 3,400 of the tractors that the Ministry of Agriculture, Animal Husbandry, and Fishery's State Farms and Land Reclamation Bureau applied to import. Of these, 3,000 were produced in Czechoslovakia and 400 were produced in the Soviet Union.

[Question] Why did we have to import this batch of tractors?

[Answer] Our analysis at that time showed the following reasons: (1) The supply of tractors on the market was insufficient to meet demand. At the time there was an enormous demand for medium and large tractors, the contradiction between production and marketing could not be alleviated within a short time frame, and various provinces and autonomous regions declared the importation of 9,000 tractors. (2) In the spirit of documents issued by the various state departments concerned, a certain number of encouraging policy measures were adopted to give impetus to the development of trade and economic and technical cooperation with eastern Europe and the Soviet Union. (3) In 1978 and 1979 we imported the same kinds of tractors from Czechoslovakia, and there are already more than 100 domestic plants producing crucial, easily damaged parts. Sixty percent of the spare parts for the tractor models 6211 and 7211 that are being imported this time are interchangeable with those for model 6911.

[Question] Does importing this large volume of tractors upset the domestic farm machinery market?

[Answer] From the perspective of the current market situation, importing tractors involves some disruptive elements that affect the domestic market, but the effect is not overwhelming. All farm machine industries are affected by state credit controls, fuel supplies, and other factors that put production and marketing in a passive position.

[Question] Consumers worry that maintenance fittings will be unavailable. What measures have you taken on this matter?

[Answer] When we ordered the main engines we also handed the Czechoslovakian party an order bill to arrange for spare parts. Parts which are damaged during the guarantee period or in the transit process will be compensated based on responsibilities stipulated in the contract. As for model-6911 tractors imported previously, in addition to making arrangements for some domestic plants to produce parts, some parts will be imported.

[Question] Some newspapers report that importing this large volume of tractors is bad for development of China's farm machinery industry. How do you view this matter?

[Answer] At the time, we imported this batch of tractors to alleviate the contradiction between market supply and demand. The goal was to expand agricultural production and promote rural economic prosperity. From today's perspective, we underestimated the effects of objective factors, made inaccurate market projections, gave the problem insufficient thought, and were unable to give the higher authorities the best advice. We are entirely responsible, and in the future we will draw a lesson from this.

12510
CSO: 4007/152

CHANGES IN PRICES OF NON-STAPLE FOOD IN URBAN CENTERS

Beijing ZHONGGUO CUNZHEN BAIYE XINXI BAO in Chinese 29 Sep 85 p 1

[Article by Shang Yan [0794 1484]: "Changes in Retail Prices of Nonstaple Food in Urban Centers"]

[Text] 1. The Rise of Retail Prices of Nonstaple Food in Urban Centers Is Inevitable Result of Reform of Whole Pricing System

For a long time, the circulation of commodities whose prices are not based on the general pricing system or determined according to the system of demand and supply have seriously hindered the development of our commodity economy. In order to rectify this abnormal situation and develop the economic system, both the party and the state have proceeded step by step to reform the pricing system as a part of the overall reform of the economic management system. Since 1985, in accordance with the state demands for the reform of the pricing system, the various regions have gradually opened up procurement prices on pork, beef and lamb, vegetables, fowls, eggs, and aquatic products. At the same time, the retail prices of the main nonstaple food items have also risen in the urban centers, following the general rising trend of the last few years. A comparison of April this year of the average retail prices of the main nonstaple food items that are managed by the state enterprises with last year shows the following increases: 17.3 percent for pork at 1.38 yuan per jin; 25.9 percent for beef at 1.48 yuan per jin; 27.5 percent for lamb at 1.28 yuan per jin; 5.2 percent for eggs at 1.21 yuan per jin; 25 percent for fresh vegetables at 0.16 yuan per jin; 16 percent for fowls; 47.8 percent for hairtail fish at 1.41 yuan per jin; and 40.1 percent for yellow fish at 2.45 yuan per jin.

2. Connection Between Rising Prices of Nonstaple Food and Lives of Residents in Urban Centers

A general rise in the retail prices of nonstaple food in the urban centers has led to an increase in what residents have spent on these items. The average monthly increase for such expenditures in 1984 when compared with 1978 is 5.29 yuan. For each salaried employee, this increase means an additional burden of 1.71 persons (including himself) and an additional expenditure of 9.50 yuan. After taking into account the state subsidy of 5 yuan for nonstaple food, under these circumstances, each salaried employee still has an additional expenditure of 4.05 yuan. Because of their different income and also their differing consumption of nonstaple food, all households would be affected to a differing

extent by the rising prices for nonstaple food. Nevertheless, in all these households. their increased expenditure for nonstaple food has exceeded the state subsidy of the monthly 5 yuan per person. For households where the average monthly income for living expenses falls below 25 yuan per person, the expenditure on nonstaple food has increased 2.38 yuan per person. Each salaried employee therefore carries an increased monthly burden at (at 3.07 persons) of 7.32 yuan, an amount that exceeds the state subsidy by 2.32 yuan. For the households with an average monthly income from 60 to 70 yuan, and more than 70 yuan, increased monthly expenditures on nonstaple food are 6.63 yuan and 8.37 yuan, respectively. For each salaried employee (whose increased burden is 1.49 and 1.28 persons respectively), their increased expenditures on nonstaple food items are 9.88 and 10.71 yuan, respectively, amounts that exceed the state subsidies by 4.88 and 5.71 yuan. From these figures, we can see that the consumption of nonstaple food rises with the rise in household income. At the same time, because of the increase in expenditures for them prices of these nonstaple food will rise further.

3. Statistics on Prices for Nonstaple Food in the First Half of 1985

For the spring of 1985, when compared with last year, the increase in total retail prices in urban centers of the whole country is 6.4 percent. The increase in retail prices of nonstaple foods amounts to 10.4 percent. According to the statistics, the increase in retail prices of nonstaple foods for the summer of 1985 when compared with the year before is around 20 percent. For the first half of 1985, retail prices of nonstaple foods have increased more than 15 percent when compared with last year, and by more than 72 percent when compared with 1978.

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CSO : 4007/56

NATIONAL

SCIENCE DIRECTOR URGES AGRICULTURAL TECHNOLOGY ACCELERATION

Beijing NONGCUN GONGZUO TONGXUN [RURAL WORK NEWSLETTER] in Chinese 5 Nov 85 pp 34-35

[Commentary by the China Agricultural Science Director Lu Liangshu [4151 5328 1859]: "Accelerate Technical Transformation of Agriculture and Development of Talent"]

[Text] The development of all aspects of agriculture is of extreme significance in securing and stimulating the development of China's economy. In order to attain steady and stable growth in the entire agricultural sector it is crucial that science and technology progress and that the technical tranformation of agriculture be accelerated. However, as the initial phase of this transformation concludes, traditional production methods still hold an important place. Furthermore, agricultural productivity is low, the dietary habits of hundreds of millions of peasants remain unaltered and both the revising of the rural production structure and the shift of labor power are being hampered by (single) aggricultural operations and a weak agricultural foundation. Consequently, it is urgent that the technical transformation of agriculture be accelerated.

China has 1 billion people, 800 million of whom are peasants. Per capita arable land is low and the rural economy is undeveloped. Science is also backward. It is imperative that these fundamental givens be fully considered and that reality is squarely faced in the process of technological transformation. Thus we must select methods of technical transformation that are unique to China. These methods should combine traditional labor-intensive and modern scientific methods of cultivation. Intensive farming must be practiced and both per-unit area yields and quality must be raised: biological engineering measures should be closely linked to the practical application of modern scientific accomplishments, and technological, economic, and ecological benefits must be integrated so as to create a proper agricultural-ecological cycle. The technical transformation of agriculture must be linked with overall rural development and a multilayered agricultural technology structure must be established. Finally, the proper steps must be taken to merge the attraction of the appropriate advanced technology from foreign countries with its absorption and adaptation so as to accelerate the technical transformation of agriculture.

In order to meet the needs of agricultural modernization, the Central Committee set a target of 6-percent growth in GVAO for the period of the Seventh 5-Year Plan and laid out the basic problems to be grappled with in that period:

I. Material Input Must Be Gradually Increased and Conventional, Practical Techniques Must Be Employed To Raise Production Results

The principle of "reaping what is sown" must be appreciated in regard to agricultural input and output. Between 1978 and 1984, agricultural mechanization increased by 65.9 percent, rural electification by 82.6 percent, usage of chemical fertilizers doubled and effectively irrigated fields reached 670 million mu. This is significant material evidence of the steady growth in agriculture in recent years. During the Seventh 5-Year Plan material input must continue to increase, guided by the improved application of science and technology so as to raise the economic gains obtained from production output. Concrete recommendations are as follows: 1) China's crop varieties and breed of livestock are undergoing fundamental improvement, but the phenomenon of mixing varieties, and a drop in superior varieties exists. Thus, every effort must be made to propagate good varieties and promote their dissemination and proper application so as to fully bring into play their productive potential. 2) The volume of chemical fertilizer applied has increased quickly. The amount of zhe chun [2124 4783] chemical fertilizer used per mu increased from 11.9 jin in 1978 to 22.5 jin at present, but the utilization rate was only 30 percent. In the future, the composition and variety of chemical fertilizers must be improved, compound fertilizers must be increased, application techniques advanced and an effort must be made to raise the utilization rate another 10 percent. 3) All scales of agricultural mechanization, including the use of tools and implements, must be merged into a workable system. Methods of mechanization must be selected for suitability to local conditions and machinery must be efficiently utilized. 4) The management of water facilities must be emphasized, as should water and energy conservation, the improvement of irrigation technology, and the increased effectiveness of irrigation.

II. Strengthen Technological Development and Promotion and Accelerate the Practical Application of New Technological and Scientific Achievements

In the recent [illegible]s science research units have made many new advances which can definitely [illegible]mulate agricultural production. If one merely includes advances in rice hybridization and ground covering cultivation in the calculation, the resulting benefits exceed 10 billion yuan. During the Seventh 5-Year Plan, we must strive for scientific achievements, attract appropriate advanced technologies and quickly adapt them to production so as to accelerate the technical transformation of agriculture. Thus, we firmly grasp the need to create technological-development and promotion-service systems. These systems should become the effective carriers on which technology translates into productivity. At present, there are 400 counties in China that have established "trilateral" centers for experimentation, training, and promotion. It is hoped that by 1990 the concept will become universal throughout China and that in conjunction with the technology-promotion stations at the rural level, the experimental technology households and rural technicians, it will become an all-inclusive technological-exchange, development, and promotional

network. Organizations promoting the spread of technology and integrated management must not solely rely on national agencies for financing their operations, but must develop their self-reliance and encourage peasants to engage in all kinds of joint efforts based on voluntary participation and mutual benefits. They must also accelerate the widespread application of scientific accomplishments and help adapt the rural economy to the needs of specialization, commercialization, and modernization.

III. Resources Must Be Organized and Strategies Coordinated for Attacking Key Problems; Important Technological Projects Must Be Researched

During the Seventh 5-Year Plan, agricultural science research units must carry out the principle that "economic development depends on science and technology, so technology and science must turn toward economic development." Closely involved with the "two changes" in the rural economy and the revolutionary challenge of absorbing new technology is the organization of resources to research technology that will aid propagation of new crop and livestock hybrids and develop preventatives for disease, pests, weeds, and rodents. Also it is important to develop overall technological management for the Yellow Sea, the three rivers' plains, the loess plateau and the red and yellow hills of the south and to find ways to increase productivity on dry northern land. To set up a commercial agricultural production base, it is necessary to bring in foreign exchange and stress the expansion of scientific research projects. At the same time, basic work and theoretical research must be enhanced. Biological engineering, computer, and remote-sensing technology and other new technological territory must be explored and quickly applied to agricultural production so as to hasten its technical transformation.

Agricultural units must actively open up technological markets, accelerate the adaptation of scientific research achievements to practical applications and set up technical consulting services. Under the right conditions, various kinds of joint science-production-research institutions should be set up, fundable from various sources so as to increase self-reliance. The nation and government departments must support the development of technology and increase funding to appropriate agencies; they must also deduct a set proportion of income earned from the sale of agricultural products and from foreign exchange earnings for the creation of an agricultural science fund. The spirit of the "decision of the Central Committee Regarding the Reform of the Science and Technological Structure" must be further effectuated by advancing the reform of the agricultural science structure. "Research, education, and dissemination" are the three sides to be stressed in organizing currently available technological resources and effectively utilizing them.

IV. Increase the Development of Talent and the Cultivation of All Kinds of Technicians and Heighten the Scientific Awareness of Grassroots, Rural Cadres and the Broad Mass of Peasants

This is the key to accelerating the technical transformation of agriculture. China is now short of agricultural technicians; the structure is irrational because the level of scientific awareness and management capabilities of many grassroots rural cadres is low. The rate of illiteracy and semiliteracy is

high among many young and middleaged peasants. During the Seventh 5-Year Plan, 84 high-level and 469 intermediate agricultural institutes will be created. In accordance with the needs of technical development and agricultural modernization, relevant new areas of specialization will be established, student recruiting and cultivation of all kinds and levels of specialized talent will be expanded. In some areas ordinary high schools will be transformed into agricultural academies for the purpose of creating a new style peasant, knowledgeable in agriculture and well versed in production techniques. With hard work, by 1990 there will be two agricultural technicians for each 10,000 mu of tillable land and 1.5 veterinarians for every 10,000 head of livestock. With the county as the unit, a multitude of ways will be employed to accelerate the training of agricultural technicians and to fully bring into play the leading role of specialized households and those experimenting with technology. To further peasants' understanding of science and knowledge of technology and to basically eliminate illiteracy within the next 5 years will serve to create a new generation of peasants.

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CSO: 4007/137

DEVELOPMENT OF AQUATIC INDUSTRY URGED

Beijing CAIZHENG YANJIU [FINANCE RESEARCH] in Chinese No 4, 31 July 85 pp 69-70

[Article by Shu Zhenkui [5289 2182 1145] of the Agricultural Finance Department of the Ministry of Finance: "Devote Major Efforts to Supporting Development of the Freshwater Aquatics Industry"]

[Text] I. The Necessity of Devoting Major Efforts to Developing Freshwater Aquatics in the PRC

Developing the freshwater aquatics industry can give rise to comprehensive exploitation of the nation's water resources, readjust the internal structure of agriculture, enliven the rural economy, bring about flourishing markets in the cities and countryside, and increase peasant income. The breeding of aquatics has expanded rapidly in the PRC since the 3d Plenum of the 11 CPC Central Committee, but development of the aquatic products industry continues to be a weak link in the wake of the steady rise in the living standard of the people in the urban and rural areas; the supply and demand contradiction is acute and requires prompt solution.

The PRC has abundant freshwater resources; rivers, lakes, reservoirs, and ponds are spread all over the country. According to statistics, there is approximately 300 million mu of freshwater area nationwide, of which nearly 80 million mu could be utilized for aquatic breeding; only 46.24 million mu are now being exploited, which is only 57 percent of the usable water surface area. Most of this is poorly cultivated, with an average output of 61 jin per mu; even the per-unit-area yield for ponds is less than 142 jin, so output is still quite low. It is thus clear that, since the nation's fishery resources have suffered serious damage, it is absolutely necessary to utilize fully the freshwater resources to carry on artificial breeding of aquatics.

II. The Focus of Financial Support for Development of the Aquatics Industry in the PRC

The central government and local governments at all levels have currently adopted various measures to speed up development of the aquatics industry; for example, Liaoning and Jiangxi provinces have convened provincewide work conferences on developing the freshwater fish-farming industry and have worked

out plans for speeding up fishery production. Beijing Municipality has drawn up nine provisions for expanding freshwater fish farming, which, among other things, provide for levying a charge based on the market price of 50 jin of fish products per mu for all ponds and pits lying waste and unexploited where conditions are favorable for fish farming, and require the principle leaders themselves to bear 10 percent; the expenses incurred in levying and collecting must not be written off as production costs. All these measures play an important role in promoting the development of aquatics-breeding enterprises. In the wake of the state's overall opening up of its aquatic products marketing policy, new prospects have appeared in the PRC for developing fish-farming enterprises on lakeshores, plains, hills, and mountain regions alike and for simultaneously promoting the breeding by state, collectives, and individuals of aquatic products.

To expand freshwater aquatics breeding and exploit fishery resources we should mainly consider the following:

First, transform and exploit existing water areas of all sizes. If we construct such installations as sluice gates and embankments along small lakes, ponds, reservoirs, rivers, lakes, and various kinds of hollows, or slightly transform them or make them more complete, we could raise fish while saving on investment and realizing speedy results and large returns. For example, Jiujiang County in Jiangxi Province exploited its abundant aquatics resources, suited measures to local conditions and exploited small water areas on a large scale; more than 6,000 mu of small water areas were transformed throughout the county, an average of nearly 50 yuan per mu was invested, per-unit-area yields were raised from 10-plus jin before transformation to about 60 jin, and output increased four- to fivefold.

Second, integrate aquatics breeding, propagation, and fishing, and begin to exploit large and midsized water areas as quickly as possible. The higher level leading departments must confer authority for exploiting large and midsized water areas and allow the masses themselves to proceed in accordance with local conditions. For example, Chihu Lake in Jiangxi Province has an area of more than 70,000 mu; before 1982 there were state-run aquatics farms alone, the state-run farms planted fry, the peasants fished and the aquatics farms incurred losses year after year. In 1982, the aquatics farms and fishermen set up jointly run companies, built up the enterprises through collective shares, resolved the farm-masses contradiction, strengthened management and greatly increased economic returns. Fish output was 1.6 million jin in 1983, which was a 2.13-fold increase over the 510,000 jin in 1981, before joint management.

Third, improve old fish ponds. There are more than 800,000 mu of old fish ponds nationwide and because they have been neglected for years such problems as ponds becoming shallow and hydrographic nets being broken up have arisen; with a little transformation and making the systems complete, per-mu yields could amount to 400 to 500 jin in general and could reach nearly 1,000 jin per mu in some instances, bringing about a doubling and redoubling of output.

Fourth, suit measures to local conditions and establish commodity fish bases. Output is high in commodity fish bases so it is appropriate to set up such bases in the suburbs of the large and midsized cities; this could both ensure the the supply of fish commodities and aid in readjusting irrational aspects in fishery production, restoring the ecological balance and rational utiliztion of natural resources and increasing the ability to store water, combat weeds, and fertilize the land.

Fifth, develop diverse forms of fish farming. In addition to the several fashions above, we also should mobilize the masses to fully exploit waste shoals, low-lying land prone to waterlogging, mountain ponds, the area around homes and buildings, pits and holes, paddy fields, waste heat in the industrial cycle, and geothermal water to develop fish farming. There are particularly broad prospects in exploiting paddy fields for fish farming (there are nearly 400 million mu of paddy fields in the PRC; if 60 million mu could be utilized for fish farming and output were 40 jin or 300 to 500 fry per mu, the return would be considerable).

When planning funding, the financial departments acting as the unifying sector must exercise strategic foresight; not only must they consider the return to be realized from fund utilization, but they also must consider the social and economic benefits, the long-term benefits and the comprehensive benefits. Beginning in 1978 the financial departments greatly increased the funds used for developing freshwater fish farming. In 1984, there was more than 300 million yuan in support from central finances alone; this undoubtedly played a role in promoting the development of freshwater aquatics breeding. But under the new circumstances we must make the key points of support stand out in planning and utilizing fiscal funding to suit the requirements of the aquatics-breeding situation as it stands at present. I offer the following thoughts in connection with the principal forms of developing aquatics breeding outlined above:

First, we must change the approach of the preceding several years of utilizing fiscal funding mainly for setting up commodity fish bases, and expand the limited focal points of funding to include utilizing existing water areas in the suburbs of large and midsized cities, nearby counties, and regions with abundant aquatics resources. This is because by carrying on fish farming in the suburbs of the large and midsized cities, were transport is convenient, production and supply could be carried on in the neighborhood and this would guarantee the residents of the cities fresh and live fish to eat.

Second, support the transformation of old fish ponds and turn them into complete systems, fully tap existing potential and increase output.

Third, we must support construction of fish-farming bases where conditions warrant, especially in the suburbs of the large and midsized cities, but we must suit measures to local conditions and not rely on a single standard.

Fourth, in terms of central finances, we must appropriately support the development of fish-farming enterprises in remote border provinces and autonomous regions where the requisite conditions exist.

The finance departments, when they plan aquatics-breeding subsidies, must implement the guiding principle of simultaneously promoting the state, the collective and the individual and change the approach of the past several years of supporting one while slighting the others. Priority for support must go to fish-farming specialized households, joint households and various combined undertakings. The original fingerling farms (stations) must adapt to the requirements of developing thousands upon thousands of households and supply them with a great quantity of improved-variety fry. As a result of current serious shortages of fingerlings and fry, fiscal funding for breeding projects should focus on supporting the production of fingerlings and fry, as well as high-yield fish-farming techniques, to bring about practical results through concentrating support at a few key points which in turn benefits the larger sector. We must support the development of the fish feed processing industry and promote high and steady output from fish farming.

The financial departments of the various localities must carry out overall planning in arranging aquatics-breeding subsidies and operating expenses; operating expenses for scientific research in aquatics must be increased appropriately. Given the current shortage of operating expenses for aquatics, in order to adapt to the requirements of vigorous development of fish farming in the rural areas, we should consider reserving from 1 to 5 percent of planned aquatics-breeding subsidies per year during the period of the Seventh 5-Year Plan to be used to invest in intellectual resources for fish farming in the rural areas and to train fish-farming technical personnel so they understand techniques, to enable them to raise fish and manage operations.

There was a great advance in fish farming after centralized and assigned procurement responsibilities in aquatics products were abolished and negotiated puchases and sales according to the market were implemented universally. In order to further arouse the initiative of the broad masses toward fish farming and to further increase the economic return from the breeding of aquatics, it is proposed that we adopt the method combining gratis and repayable aquatics-breeding subsidies, relying mainly on repayable subsidies. Whether repayable or gratis subsidies are employed, economic contracts must be signed in either case. The funds regained will be pumped back into developing fish-farming enterprises, which will expand the source of funding for such development.

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CSO: 4007/60

AGRICULTURE MINISTRY ON COMMODITY GRAIN BASES

OW080808 Beijing XINHUA in English 0750 GMT 8 Mar 86

[Text] Beijing, March 8 (XINHUA)--China has completed the construction of 50 county bases for commodity grain production since the scheme began in 1983.

Construction of another 10 such bases is well underway, according to the Ministry of Agriculture, Animal Husbandry and Fisheries.

The 50 counties sold a total of 35 million tons of grain to the state during the 1983-1985 period, nearly double the amount sold between 1980 and 1982.

The bases were built through the cooperative efforts of the State Planning Commission, the Ministry of Agriculture, Animal Husbandry and Fisheries, the Ministry of Commerce, the Ministry of Water Resources and Electric Power, and the provinces of Heilongjiang, Jilin, Henan, Hubei, Hunan, Jiangsu, Anhui and Jiangxi.

Over the past three years, the state has invested some 250 million yuan in the scheme, and another 300 million has been pooled by local governments.

The state has also allocated 90,000 tons of steel and cement and 24,000 cubic meters of timber for the construction.

In these 50 counties, efforts have been made to spread agricultural technology, breed improved varieties of livestock and build small water conservancy projects.

Now each of the 50 counties has set up a center to spread agricultural technology, and 875 stations for the same purpose have been established at township level. So far, 2,700 items of technology have been introduced to the countryside and 9.6 million peasants have been trained in their operation.

As a result, the average grain output in these counties has increased by 900 kg per hectare.

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NATIONAL

SUGGESTIONS FOR GRAIN PRODUCTION

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese
No 12, Dec 85 pp 14-15

[Article by Hu Qiufa [7579 4428 4099] and Yuan Zhijun [5914 1807 6511] from Agriculture, Animal Husbandry, and Fisheries Department: "Some Suggestions Regarding the Emphasis on Grain Production"]

[Text] Since the 3d Plenum of the 11th CPC Central Committee, grain production has continuously increased. Starting from the second half of last year and particularly during the first half of this year, however, some problems have appeared which require attention. Many places have not stressed grain production, and this is an urgent problem that must be studied and solved. Some places have emphasized industry and ignored agriculture, reducing investment in grain production and lessening management. A few places have abandoned their land. A random survey in Hebei, Shandong, and Henan provences has shown that farmers' investment in agricultural land was 25 percent lower in 1984 than in 1983. This year investment is one-third lower than in 1983. Lower farmer enthusiasm for grain planting (natural disasters are another factor) has produced a tendency for reduced grain production this year. Compared to last year, statistics show that nationwide production of summer grains and early rice has been reduced by 19 billion jin this year. Reduced production of fall grains is also predicted.

Reasons for the lower farmer enthusiasm for grain planting include the following: 1. An overall increase in the prices of agricultural production materials has produced an increase in the cost of grain production. Statistics gathered by the state statistics bureau show that the prices of 22 major agricultural production materials increased 8.9 percent in 1984. Increased prices for irrigation water and electricity, plus an increase in agricultural taxes, have produced an average grain-production cost increase of 6.75 yuan per mu. In addition to the increased prices for agricultural production materials, there has been a decrease in the amount of production materials available at the standard price. Surveys show that the supply of standard-priced chemical fertilizer is only one-third of the total amount used. 2. Purchase prices for grain are somewhat low. After grain purchase prices were changed to the "inverse 30-70" ratio this year, prices in major grain-producing areas have continually decreased. Wheat prices have decreased 3 fen per jin, rice prices more than 2 fen per jin, and corn prices 1 fen per jin. The combination of increased prices for production materials and decreased grain prices has emphasized the adverse effect on grain producers. In addition, there is a large

disparity between the incomes of grain farmers and workers in industry and commerce. Therefore, many farmers now feel that "as long as there is enough grain for ourselves, there is enough." They are unwilling to devote much effort to grain production and have changed farming from their major occupation to a sideline activity.

We must clearly understand that agricultural productivity is still very low in China and that most farmers are still not prosperous. In 1984 there was a bumper grain harvest in China, but the per capita grain production was only 786 jin. This is lower than the world average of 859 jin per capita. Nationwide, the hunger problem of 80 million agricultural workers was not completely solved. We absolutely cannot, therefore, ignore grain production. If we do, there will certainly be adverse consequences for both people's lives and the four modernizations. History provides an example of the consequences. Instabilities in grain production have caused the development of other sectors to lose their foundations. Problems involving grain are important to state planning and people's lives. At the National CPC Congress Comrade Chen Yun (7115 7189) emphatically pointed out that we must continue to emphasize grain production. He said: "Feeding and clothing 1 billion people is a major economic and political problem for China. 'No grain results in chaos' means that we should not ignore this matter." Comrade Chen Yun's speech went to the heart of the matter. Grain production must be stabilized during the reform of the rural enterprise structure. Otherwise, there will be adverse effects not only on grain production but also on diversification, and rural economic activity will be hindered.

How can we maintain and develop positive tendencies in grain production? Based upon suggestions by lower level comrades and our own views, the following measures are suggested: 1. All levels of rural cadres must fully understand that "agriculture is the foundation of China's national economy. During the reform of the rural enterprise structure we must fully implement "never ignore grain production and actively pursue diversification." We must carefully manage the relationship between the development of diversification and stabilization of grain production according to local conditions. 2. We must increase grain purchase prices appropriately and gradually correct the divergence of grain price and value so that farmers will be able to make a profit from farming. 3. We must stabilize prices for production materials and lower the cost of grain production. 4. We must perfect contract procurement methods as rapidly as possible. Two major problems currently exist in grain contract procurement. The first is late contract commitment, and the second is a matter of contract style. Contracts are drawn up as administrative orders that do not represent the principles of willingness and equal rights and obligations for both parties. They are merely a form. In order to stimulate farmers' enthusiasm for completing the terms of the contract, the following steps are required to improve contract procurement: (a) contracts should be drawn up before the planting season, in the fall of the preceding year rather than during the spring; (b) sale of production materials such as standard-priced chemical fertilizers and diesel fuel should be linked to grain procurement; (c) we should return to the old system of providing deposits for grain procurement. Cancellation of procurement deposits has had a certain effect upon the implementation of grain procurement contracts this year. We

suggest that procurement deposits should be issued again next year. A grain reserve fund could be established as in other countries. A certain portion of rural taxes and profits could be used for a grain-reserve fund to support grain production. 5. We should continue to "use industry to mend agriculture." Wherever possible, income from township enterprises should be used to provide direct subsidies for either grain production or improvement of production conditions. This income can also be used to support grain production and end the disparities among industrial, commercial, and agricultural occupations. 6. We should encourage specialization and concentration of land in the hands of farming experts. Management of grain production should be gradually expanded. We should gradually perfect the cooperative economy and provide adequate services before, during, and after production. Agricultural technology must be reformed in order to improve the economic return from grain production. We must improve grain production and provide a strong material foundation for the four modernizations of socialism in China.

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CSO: 4007/211

NATIONAL

PRC REPORTS SUCCESSES IN EXPANSION OF GRASSLANDS

OW100820 Beijing XINHUA in English 0725 GMT 10 Mar 86

[Text] Beijing, March 10 (XINHUA)--China's grasslands are expanding, a state grassland meeting here was told.

Grass was planted on about 2.4 million hectares in 1985, 30 percent more than in 1984, bringing the total planted grassland to 6.7 million hectares.

During the Sixth Five-Year Plan (1981-1985), 600,000 hectares of grassland were fenced. However, the meeting warned that about two-thirds of the existing 400 million hectares of grassland in China need further care.

In 1983, General Secretary Hu Yaobang and other Chinese leaders visited China's northwestern provinces, calling on the natives to plant grass, trees and raise cattle. Since then, the area plants grass as part of its economic plan.

In 1985, new grassland regulations were issued whereby peasants would plant grass and raise cattle under contract. The state invested 36 million yuan in planting grasslands, and another 150 million yuan were collected by local forces.

In Linxia Hui autonomous prefecture, Gansu province, 20,000 hectares of grass and 24,000 hectares of trees were planted during the past two years. As a result, livestock increased from 236,000 head in 1983 to 299,000 last year, and income from animal husbandry went up to 54 million yuan from 30 million in 1983. The annual income of every peasant has increased by 70 percent on average in the past two years.

/12858
CSO: 4020/241

BRIEFS

OFFICIALS TO SURVEY COUNTRYSIDE--Beijing, March 7 (XINHUA)--More than 300 officials, including the minister and two vice-ministers of agriculture, animal husbandry and fisheries, will check implementation of government and communist party policies in the countryside next week. A ministry representative said today the officials will make one-month visits to all of China's 27 provinces and autonomous regions. He said they will survey rural work and wheat production and see what they can do to help localities solve such problems as chemical fertilizer supply and coordinated development of the rural economy. Chinese government and communist party leaders have repeatedly stressed the importance of agriculture and grain production in statements and publications this year. In addition, the ministry announced that 60 of its officials will go to work in five counties and two cities in Jiangsu and Hubei provinces for one year. Minister He Kang said the officials must "go among the peasants, learn first-hand information and help localitities solve problems directly rather than rely on reports from local officials." [Text] [Beijing XINHUA in English 1945 GMT 7 Mar 86 OW] /12858

PEASANT MARKETS FLOURISHING--Beijing, March 10 (XINHUA)--Peasant markets have flourished all over China since the state released control of many food prices last year, according to the government's Industry and Commerce Bureau. Bureau statistics show there were 61,000 peasant markets at the end of last year, compared with 48,000 in 1983. Their total turnover reached 63.2 billion yuan--38 percent more than in 1984. A bureau official said: "Since agricultural price reforms were introduced, peasant markets have been more active than ever." The quantity of goods the markets deal with is also on the increase. Last year, they handled 44 percent more edible oil than the year before, and 30 percent more pork and eggs. They also sold 40 percent of all aquatic products, eggs, mutton, beef and vegetables in urban areas, and 63 percent of chicken, duck and goose. [Text] [Beijing XINHUA in English 1035 GMT 10 Mar 86 OW] /12858

CHANGES IN CORN PRODUCTION, SALES--Corn is one of China's main items of produce for export. During last year, because of accumulated production surpluses in such areas as Yu, Ji, and Lu, the selling price in these places fell to 12-14 yuan per dan. However this year, changes have developed within the area of corn consumption. These changes began to emerge from the summer of 1985 following the increase in commercial export of the whole country, on the one hand, and, on the other hand, the development of such enterprises as animal husbandry, animal feed, textile, medicine, and chemical production. In particular, within the area of corn grown for export, demand has already exceeded supply. The wholesale price of corn in Guangzhou has also risen to 18-19 yuan per dan. According to our understanding, during 1985 the quantity of export corn has increased considerably. In August, the state export section signed a contract with Japan under which 2.5 million tons of corn will be exported to Japan, a figure that represents 10 times the total corn export of 1984. According to information from some of the corn-producing regions, less quantity will be produced during 1985 because of the accumulated production surplus of the year before. The total corn production of 1985 will, therefore, be less than the year before. Under these circumstances, by the winter of 1985, the gap between supply and demand for corn will be even wider. [Text] /Guangzhou GUANGDONG NONGMIN BAO in Chinese 8 Sep 85 p 2] 12740/7051

CSO: 4007/56

HEBEI

METHODS OF PROCURING, SELLING COTTON AMONG COOPERATIVES

Shijiazhuang HEBEI RIBAO in Chinese 20 Sep 85 p 1

[Article by Xu Yaoquang [1776 5069 0342] and Jiao Guoziang [3542 0948 4382]: "The Person Responsible for the Supply and Marketing Cooperatives at the Provincial Level Discusses the Method of Procuring and Selling Cotton During the Current Year"]

[Text] According to our own dispatch, on 13 September 1985, Li Meifeng [2621 5019 1496], the provincial vice director of the supply and marketing cooperatives talked at the conference for directors of the regional, urban, and county supply and marketing cooperatives, discussing the methods for the procuring and selling of cotton for this current year.

Li Meifeng stated that the involvement of the state in cotton procurement is an important policy in the structural adjustment of rural production. Last year, 12.85 million tons of cotton were procured from our province. All marketing and supply cooperatives must carry out their fulfillment by procuring from farmers the exact quantities that had been decided among them. The amount of cotton thus procured could neither fall short of nor exceed the original agreement. In cases where slow growth or natural disasters might have led to a quantity that would fall short of the procurement level, the necessary adjustments should not be done at the local levels, between households, villages, or counties. The procurement price of cotton should adhere strictly to the "inverse 30:70 ratio" under which 30 percent of the procurement price is based on the list price, while 70 percent is at higher prices. The former practice of giving regards of grain and chemical fertilizer has also been abolished.

In the actual execution of cotton procurement, the policy of accounting on the spot must be strictly followed. All transactions must be made with the sellers. The farmers who grow the cotton should express their wishes about having payment in cash or recorded in an account. No procurer may randomly delay payment to the grower or extend it in an installment plan. Deductions from such transaction payments can only be made for agricultural taxation or accounting debit of the relevant production units.

According to an initial analysis of production figures, cotton growers will be having some surplus after they have fulfilled the procurement quota. As has been made quite clear in the Central Committee Document No 1 of 1985, "cotton growers are allowed to sell their own surplus production in the market.

Departments that deal with cotton transactions should actively regulate the market and the price will thus be stabilized." Therefore, supply and marketing cooperatives everywhere should fully utilize their positions in making the market situation known to all concerned and in offering such services as welling, transporting, and even processing the product. Farmers will thus be assisted in these ways to sell their surplus cotton production.

Our provincial government has also set the following policy which is in agreement with the principle of the document from the relevant state department: from now on, all textile factories in our province must procure their raw material from local production. In cases of insufficient quantity, inadequate quality, or species of cotton with too short a staple, then these factories may procure from production outside the province or region. However, these textile factories may not regularly either procure cotton from outside the province or directly from farmer-growers.

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FUNDING PURCHASE OF FARM SIDELINE PRODUCTS DISCUSSED

Beijing NONGCUN JINRONG [RURAL FINANCE] in Chinese No 18, 16 Aug 85 pp 17-19

[Article by Heilongjiang Province Branch Bank: "Devote Major Efforts to Successfully Supplying Funds for Purchasing Agricultural Sideline Products; Gain a Clear Understanding of the New Situation, Adopt New Measures"]

[Text] We have recently organized 180 professional cadres and bank leaders at all levels and conducted a survey of the situation in the purchasing of agricultural sideline products in 15 cities and counties. Through the survey, we have acquainted ourselves with the new circumstances in the rural economy this year and the new characteristics of the purchasing of agricultural sideline products and we have mastered the new funding supply-and-demand situation for farm sideline products, thus creating conditions for successfully supplying funds.

A. New Characteristics of The Purchasing of Agricultural Sideline Products

Crops are doing well in Heilongjiang Province this year and will produce bumper harvests; there will be bumper yields of mountain and livestock products and products from the land as well, and variety, quantity, and quality all will surpass those of previous years, so the economic situation in the rural areas is most heartening. Compared with previous years, there are principally five new characteristics in the purchasing of agricultural sideline products this year:

1. There has been an increase in market regulation. In addition to fixed-amount purchases by the state of grain, oil crops, flue-cured tobacco, livestock products, and hogs in the province this year through the market. According to statistics of the 15 cities and counties, 80 percent of the agricultural sideline product varieties were regulated through the market, and only 20 percent came under fixed-amount purchase by contract.

2. There were notable increases in products with high economic value. There were marked increases in the province this year of such relatively high-value products as soybeans, flue-cured tobacco, flax, sunflowers, castor-oil plants, edible fungus [Auricularia auricula-judae], honey, royal jelly and berries. According to statistics of the 15 cities and counties, there was a 15-percent increase in soybean, wheat, and paddy rice acreage over the previous year and

a corresponding decrease in area planted to corn and food grains other than wheat and rice. The area planted to sunflowers in Muleng County amounted to 25,000 mu, an increase of 39 percent over last year and there were 2 million pieces of the edible fungus, which was double that of the previous year.

3. There was a more complete selection of varieties and greater quantity. More varieties and a greater quantity of agricultural sideline products went on the market this year in Heilongjiang than in any previous year. According to statistics of the 15 cities and counties, grain yields are estimated to be 9.98 billion jin, which is a 3.7-percent increase over the previous year; flue-cured tobacco, 314,000 dan, a 53.9-percent increase over the previous year; sun-cured tobacco, 168,000 dan, a 13-fold increase; and sunflower seeds, 130 million jin, a 62.5-percent increase. In Shangzhi, Hailin and Yanshou counties, mountain grape yields amounted to 2.2 million jin, double that of the previous year; and black bean fruit [hei dou guo 7815 6258 2654], 14.3 million jin, a 1.2-fold increase. Shangzhi and Yanshou counties produced 16,000 jin of royal jelly, which was a 1.5-fold increase over the previous year.

4. There were more channels and fewer links. A free commodity market appeared in the rural areas and there were further changes in circulation channels. Not only were there purchases by state-run businesses, but there were purchases directly from the production areas as well by trade warehouses, individual small retailers, and even factory enterprises. Many households engaged in producing products, such as edible fungus, honey, medicinal materials, mountainous edible wild herbs and black bean fruit. They competed with each other for purchases and prices fluctuated widely. When the basic-level supply and marketing co-operatives purchased agricultural sideline products in the past, they relied mainly on meshing with the needs of the county-level companies, and did their marketing with those companies; there has been a reduction in these links this year, and they first found a way to market their goods through the purchasing departments, signed contracts, and made purchases, transported goods, and settled accounts directly.

5. Time was shortened and reserves were increased. The time for purchasing agricultural sideline products was shortened. First, the selling period was shortened for fixed purchases of grain on contract and berries which are difficult to take care of and which the peasants rush to be the first to harvest, transport, and sell, such as black bean fruit, mountain grapes, strawberries and du [6757] persimmons. Second, most peasants watched for the market price to go on an upward trend and waited for the right time to sell special local products which were easy to take care of, which stored well, and which were subject to negotiated purchases and sales. At the same time, because of transporting difficulties, sales were postponed and reserves increased for agricultural sideline products purchased by the commercial sector. According to statistics of the 15 cities and counties, there will be a 23-percent increase in agricultural sideline products this year over the previous year.

B. The New Situation in Supply and Demand of Procurement Funds for Agricultural Sideline Products

1. There was a large fund requirement and great lack thereof. According to statistics of the 15 cities and counties, there was a fund requirement of

897 million yuan for purchase of agricultural sideline products this year, which was a 20-percent increase over the previous year. However, the banks could supply only 520 million yuan in funds, which was a shortage amounting to 377 million yuan. Of the banks in the 15 cities and counties, only two had funds sufficient to balance supply and demand and the remaining 13 experienced fund shortages to differing degrees and could not satisfy the requirements for purchase of agricultural sideline products.

2. The contradiction between outlay first/revenue later is pronounced. From January to the end of June this year, loans from banks in the 15 cities and counties for grain, supply, and marketing and other commercial businesses dropped 364 million yuan, and 220 million yuan was used up in loans to agriculture, state-operated agricultural enterprises, township and town enterprises and support credit cooperatives. Since July, agricultural sideline products have gone on the market one after another, and will reach a climax in the September to November period; recovery of money from agricultural loans and loans to state-operated agricultural enterprises will be concentrated in the November and December timeframe, so the outlay first/revenue later contradiction occurs. According to statistics of the 15 cities and counties, the amount of money involved in the outlay-before-revenues due to the time difference amounts to 160 million yuan.

3. Many funds for grain loans were of a questionable nature. According to statistics of the 15 cities and counties, there was irrational fund encroachment by commercial enterprises amounting to 170 million yuan, of which irrational fund encroachment through losses incurred by grain enterprises and losses as a result of the people storing grain for the government amounted to approximately 144 million yuan, which was 15.7 percent of the total amount of grain loans. A large amount of credit funds was exhausted, which reduced the supply of funds for purchase of agricultural sideline products.

4. Work requirements were high and there was a great degree of difficulty. Restructuring the purchasing system for agricultural sideline products and changing fund-supply methods meant more and harder work for the banks. First, there were changes this year in the buying and selling patterns and circulation channel for agricultural sideline products, there was an increase in the proportion of market regulation, the scene was complicated, and it was quite difficult for the banks to get the situation with the enterprises under control. Second, many areas of the province signed fixed-amount purchase contracts with the peasants and raised the quota at each level, which surpassed the state-issued plan, so it was somewhat difficult to control the supply of funds during the purchasing period. Third, since agricultural sideline products within the plan and those subject to negotiated purchases and sales went on the market at the same time, the quantity was great and the requirements were pressing, and funds for within-plan, excess-of-plan, and market-regulated purchases were needed at the same time and it was difficult to manage them. Fourth, because of transport difficulties, reserves will increase and funds generally will be in tight supply, making it difficult to regulate and balance them.

C. Some Thoughts on Successfully Supplying Funds for Purchasing Agricultural Sideline Products

1. Unify thinking and increase understanding. Doing a good job of supplying

funds for purchase of agricultural sideline products and ensuring that the state plan for purchasing such products is successfully fulfilled is an important matter related to the national economy and the people's standard of living. As such, the banks at all levels must unify their thinking, increase their understanding and make clear the major significance of doing a good job of supplying funds for purchases of agricultural sideline products. This is the first year of the state's restructuring of the system of centralized and assigned procurement of farm products and we must enhance investigation and research and get a clear understanding of the new situation which has emerged following restructuring. We should adopt a positive attitude toward resolving the issue of a shortage of funds for purchasing agricultural sideline products, overcome any fear of difficulty, employ a variety of measures, expand funding sources, tap funding potential, strive for balance on our own, and devote major efforts to successfully supplying purchase funds.

2. Implement policy and uphold principles. With regard to supplying funds for purchasing agricultural sideline products, we must correctly implement state policy and uphold the principle of "dealing with each case on its merits." We must ensure the supply of funds based on actual needs for agricultural produce and farm sideline products, such as grain, oil crops, flue-cured tobacco, livestock products, and hogs, which are subject to fixed-amount purchase contracts within the state plan and purchases at state guaranteed prices. We must actively provide support by way of credit funds whenever possible for agricultural sideline products subject to contract purchases arranged by the government and management departments at all levels based on national requirements and market demand. With respect to agricultural sideline products subject to market regulation and negotiated purchases and sales, we must do what we are capable of based on the market supply-and-demand situation and according to the principles of "setting loans according to quality" and "setting loans according to sales"; we should limit the supply of credit funds for agricultural sideline products whose production is restricted by the state, in order to promote readjustment of the rural industrial structure. If the banks at all levels find there are insufficient funds for purchasing agricultural sideline products within the state plan, in addition to working hard to organize funds on their own, they should propose a loan plan in accordance with procedures and report it to higher level banks, and at the same time they should send a copy of the report to the People's Bank and grant loans only after it gives its approval; they are prohibited from granting loans first and then reporting them or reporting the loans as they are granting them.

3. Set up specialized households and earmark funds for specified purposes only. Loans used up for purchase of tabacco leaves by the food sector companies for parity purchase of grain and tobacco prior to the end of May 1985 should be transferred to specialized households for procurement of agricultural sideline products. We should implement a favorable interest rate, 0.3 percent per month, for grain loans transferred to specialized households, and a monthly rate of 0.66 percent for tobacco loans. With respect to funds for within-plan procurement, we must implement management by specialized households, earmark funds for specified purposes only, and not permit them to be diverted. If we discover that extra-plan purchases infringe upon funds for within-plan purchases, we should apply credit sanctions against the enterprises involved and ascertain where the leading responsibility lies internally.

4. Find out what the situation is and accurately settle large accounts. The situation is complicated for this year's procurement work for agricultural sideline products and there is a strong policy orientation. In order to get a pretty good idea of what's what, banks at all levels should organize manpower and go down to the grassroots units and make a detailed investigation, and find out when the peasant households are going to sell their agricultural sideline products, what varieties and how much; they should differentiate quantity changes, purchasing patterns, and circulation channels for within-plan, above-quota and market-regulated purchases, and the situation in marketing and transferring of goods to other localities. They should pay attention to both purchases and reserves, and do a good job of keeping the books on fund requirements and fund sources for within-plan, above-quota, and market-regulated purchases. They must forecast the quantity of agricultural sideline products to be purchased and fund requirements on a monthly basis, determine ways to deal with fund supplies, and set emergency measures. The enterprises should report their monthly commodity-circulation plans, funding-requirement plans for purchasing agricultural sideline products and conditions for implementing them to the banks where they have accounts, and the banks should act in accordance with the plans reported by the enterprises and balance funds month by month on a seasonal basis.

5. Secure funding and reduce disparities. In order to resolve the large shortages of procurement funds this year, we need to concentrate our efforts on securing funding. First, we must devote major efforts to raising funds. We must pay special attention to facts and details in our work, raise funds through many channels and strive to surpass assigned deposit amounts. Second, we must actively organize the recovery of loans that are due or overdue. As agricultural sideline products go on the market one after another, we must seize upon that opportune moment and promptly recover various loans that are due or are overdue; we should pay specially close attention to sorting out and recovering commercial loans employed by agriculture, state-run agricultural enterprises, township and town enterprises and support credit cooperatives, and get funds ready for purchasing agricultural sideline products. Third, we must help enterprises to better allocate and transport commodities, do a good job of settling accounts, and accelerate fund turnover. Fourth, we must carry out the "three clean-ups" and tap funding potential. We must help enterprises to pay close attention to and sort out funds of a questionable nature and enliven overly controlled money. We must supervise and urge enterprises to fix the time for returning loans which had been diverted and channel them into the credit plan. With regard to the use of various irrational funds, we must distinguish among projects and propose and plan to cut down on them and implement it at the loan units.

By employing the above-mentioned measures, according to estimates of the 15 cities and counties, the supply of funds for purchasing agricultural sideline products could be enlarged by 205 million yuan, which would reduce the shortage to 172 million yuan. Eight cities and counties, including Anda and Keshan counties, will achieve a balance of funds by their own efforts. If all the banks write articles on "enlivening" and the majority of cities and counties reduce disparities, it is possible to balance funds by our own efforts.

6. Strengthen management and do a good job of providing services. We need to enhance management in order to successfully supply funds and get the most benefit out of them. One thing we should do with respect to managing within plan procurement funds is to strictly enforce discipline and maintain rigid control, so that specialized household funds are utilized only for purchasing within-plan agricultural sideline products; we should promptly recover loans from specialized households when products are marketed. The second thing we should do, with respect to managing loans for circulation of normal commodities, is to fully utilize the funds at hand, support enterprises to get industrial goods to the market, promote rapid sales, and accelerate fund turnover; we must successfully exercise strict control over loans to commercial enterprises and those to shops run by educated youth. The third thing is that we must strengthen management of qurstionable funds, uphold the system of triple verification before granting loans, tap funding potential, and cut down on funds lying idle. The fourth thing we should do, with respect to the purchasing situation for agricultural sideline products and fund supply work, is to carry out analyses on a monthly basis and to handle promptly any problems which are discovered. The fifth thing is that we must put into effect the principle of voluntary participation, employ fixed-amount account transfer checks, expand the transfer and balancing of accounts for the cost of purchasing agricultural sideline products and safeguard the peasants legal interests.

7. Strengthen leadership and keep in touch with the situation in the respective areas. The work supplying funds for purchase of agricultural sideline products is a difficult assignment and it is very important that it be carried out well rather than poorly. Banks at all levels should attach primary importance to this work, give specific responsibility to a bank president and conscientiously enhance leadership. We should promptly carry out readjustment for those with insufficient industrial or commercial credit strength. Planning, credit, accounting, and cashering departments should act in close coordination, keep in touch, and work together to do a good job of supplying funds, making up deficiencies from surpluses, and settling accounts. At the same time, since fund-supply work this year is different from past years, even more should we ask for instruction and make reports, reflect the situation to the local party and government, successfully manage and give advice, and gain the serious attention and support of the party and the government.

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AGRICULTURAL STATISTICS RELEASED

Zhengzhou HENAN RIBAO in Chinese 7 Feb 86 p 2

[Excerpts] In 1985, the social output value in rural Henan was 36.729 billion yuan, a 14.8 percent increase over 1984. The output value of rural industry, construction, commerce, and transportation was 12.575 billion yuan, an increase of 36.7 percent over 1984, its ratio of the rural social output value rose from 30.6 percent in 1984 to 34.2 percent

Calculated by 1980 constant prices, the agricultural gross output value for the year was 24.595 billion yuan, an increase of 9.9 percent over 1984. Deducting the output value of 20.002 billion yuan from village run industries, the increase was 4.4 percent over 1984. Of the gross agricultual output value, the seed industry accounted for 15.178 billion yuan, a 2.3 percent reduction; forestry accounted for 595 million yuan, a 27.1 percent increase; animal husbandry accounted for 2.984 billion yuan, an increase of 43.5 percent increase; sideline industry accounted for 5.761 billion yuan, an increase of 36.1 percent; the fishing industry accounted for 77 million yuan, an increase of 30. 5 percent. Of the gross agricultual output value the proportion of forestry, animal husbandry, sideline and fishery production increased from 30.6 percent in 1984 to 38.3 percent

The area sown to grain slightly increased in 1985. Because of natural disasters and a relaxing of grain production in some areas, the gross output was 6.3 percent less than 1984.

Output of major agricultural products:

	1985 (10,000 tons)	Increase in 1985 over 1984 %
Grain	2710.55	-6.3
Summer Grain	1556.60	-7.6
Autumn Grain	1153.95	-4.5
Cotton	54.73	-37.0
Oil-bearing Crops	96.18	83.2
Tobacco	53.89	34.9
Fibre Crops	44.91	243.2
Silkworm Cocoons	0.51	19.0
Tea	0.18	-0.8
Fruit	57.39	39.9

The province afforested 162,300 hectares and quality improved; the actual area of young forests tended was 249,000 hectares, a 33.9 percent increase over 1984.

Output of major animal by-products and number of livestock:

	1985	Increase in 1985 over 1984 %
Output of Pork, Beef, and Mutton	67.47 (10,000 tons)	23.2
Milk	4.47	16.5
Sheep Wool	0.49	-20.9
Hogs Slaughtered	785.86 (10,000 head)	18.5
Pigs at Year End	1621.74	22.2
Large Animals at Year End	886.35	11.5
Sheep at Year End	661.45	-2.5
Output of Aquatic Products	6.84 (10,000 tons)	39.9

At the end of 1985, the aggregate power capacity of the province's farm machines was 15.699 billion watts, a 4.2 percent increase over 1984. The number of large and medium-sized tractors was 60,200, a 2.9 percent decrease over 1984; small capacity and walking tractors 387,100, a 23.5 percent increase; trucks 33,800, a 22.9 percent increase; and irrigation and drainage equipment 4.987 billion watts, a 8.5 percent decrease over 1984. The consumption of electricity in rural areas was 2.833 billion kwh, a 9.7 percent increase. A total of 6,627,200 tons of chemical fertilizer were applied, a 1.9 percent increase over 1984.

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MECHANIZATION URGED ON FAMILY-OPERATED STATE FARMS

Beijing ZHONGGUO NONGKEN [STATE FARMS AND LAND RECLAMATION] in Chinese No 11, 24 Nov 85 pp 12-13

[Article by Wu Bin [0702 1755]: "The Role of Mechanization Should Be Fully Developed"]

[Text] In Hubei Province, some new situations and issues have arisen during the course of the development of professional, family-operated state farms engaged in commercial production.

The Problem of Concentrating Farm Land into the Ablest Hands

The gradual expansion of the scale of family operations is an inevitable outgrowth of commercial production. At present, in Hubei there are more than 6,600 professional, family-operated state farms that have reclaimed land and contracted for planting more than 100 mu in grain and more than 50 my in cotton, raising more than 500 head of chickens or ducks, and producing more than 100 head of pigs for market. These families account for 3.9 percent of the families in Hubei engaged in land reclamation. On these professional, family-operated farms where operations are comparatively large-scale, the value of production per worker has passed 6,000 yuan, the commodity rate is more than 95 percent, and the average income per worker is more than 2,000 yuan. The economic benefits that they have reaped for themselves and the fairly large contributions that they have made to the state have attracted thousands of other families, and in so doing have helped advance the commodity economy of state farms.

However, it should be noted that there are considerable numbers of professional, family-operated state farms that have relatively large-scale operations and that are not the products of the development of the social forces of production. These are created in three kinds of situations: 1) At the beginning of the contract period, there were some portions of land for which there were no other people to whom the land could be let, so a few people took on the contracts. 2) In order to encourage the concentration of farmland into the ablest farm hands, state farms leased out on very favorable terms that portion of land upon which labor power exceeded the average. Enterprising people saw that there were profits to be made and took on the contracts. 3) In order to establish large-household models, all kinds of favorable terms were offered to families,

leading to the inappropriate concentration of a portion of farmland into the hands of a few farm families. In Qinjiang County's Yunlianghu State Farm, a survey was conducted of 43 professional, family-operated farms, which contracted for most of the land. There were only 18 households, or 41.9 percent, that had its ablest hands working on the land; there were 8 households, or 18.6 percent, that did not know how to farm; there were 10 households, or 23.3 percent, that did not have sufficient labor power to farm themselves and basically relied upon hired labor; there were 7 households, or 16.3 percent, that rented out their contracted parcels at a higher price to others who did not belong to the state farm. This problem is typical on all state farms in Hubei. From this it can be seen that encouraging the concentration of farmland in the hands of the most able and the expansion of the scale of family operations will be a long-term process. It cannot be implemented simplistically. Moreover, it cannot be implemented by applying pressure and issuing quotas stipulating that a certain number of large-scale households must be created every year. Controls must be strengthened to insure that state farmland is not rented to outsiders. Within the state farm, members who transfer land contracts must not be permitted to exceed limits set by the farm.

The Problem of Fully Developing Mechanization

Some state farm families that have fairly large operations have ignored agricultural mechanization. The use instead of hired labor is a fairly widespread phenomenon on state farms in Hubei. Wuhan City's Hannan Reclamation Bureau investigated the Yinlianhu State Farm and discovered the following: The farm has 24,000 mu of farmland. In 1981, it had a labor force of 1,409 persons, each person had an average of 17 mu. In 1984, the entire farm had 80 farm machines, with 2,966 horsepower, which were 25 percent and 66 percent increases, respectively, over levels in 1981, before the family-operation system was implemented. However, machines completed farm operations on 108,000 standard mu, which is 71,000 fewer standard mu than in 1981, a decline of 66 percent. Among the most important farm operations, aside from an increase in the area that is tilled by machine, the area planted by machine dropped from 43.6 percent down to 16.4. The area harvested by machine dropped from 30 percent down to 18 percent. The number of laborers engaged in farming is now 899, which is 510 fewer or 36.2 percent fewer, than in 1981. On the one hand, the standards for mechanized operations have fallen. On the other hand, the amount of labor power used in farming has declined. This has given rise to the problem of extensive hiring of labor. On this state farm, there are 555 laborers who have been hired from outside, which prevents the farm's superior conditions--extensive lands and numerous machines--from manifesting themselves. It also has produced a problem of predatory operations. And with many outside farmers coming onto the state farm, a whole set of social problems is also brought along.

The May Third State Farm's Huilongsi Production Team offers a different example. This team has 3,560 mu of farmland and 31 mu of fish ponds. These resources are contracted to 143 laborers. For the 2,800 mu of paddy fields, there are 81 contractors, each taking responsibility for 34.5 mu. The 13 agricultural machines owned by the team are contracted out to a skilled technician, under the "four standards (personnel, field area, quality, and sales

to the state) and rewards" system. Each of the five tractors serves 600 mu. Two members of the farm purchased eight tractors on their own. To encourage them to use the tractors for agriculture, not only do they receive a fee set by team regulations and paid by the user, but they also receive a supplemental subsidy of 1 yuan paid by the team for every mu tilled or harrowed. All of the 2,800 mu of paddy land has been leveled by machine; the rice has been planted in straight rows; chemical herbicides have eradicated weeds; machines harvest, winnow, and dry the grain. Every mu of rice paddy originally had required 30 workers; now it only requires 5, which can be met completely by a contracting family. With mechanized services advancing, 184 laborers have been freed from agriculture and have been developing secondary and tertiary industries and multicrop operations.

The examples of Yinlianhu State Farm and Huilongsi Team show that so long as we do a good job of providing mechanized services, we can raise the level of agricultural mechanization, and in so doing dramatically reduce the use of hired labor on professional, family-operated farms. In Hubei, there is a total of 670,000 horsepower in agricultural machines on state farms at present. There are 3,549 large and medium tractors, 279 combines, and 526 trucks. These are a tremendous resource. The present challenge is to see that the management of agricultural machine services are appropriate for the special needs of family operations. New management services must be devised to permit the superiority of mechanization to emerge. The Longganhu State Farm has some experience related to this. They established a company at the main farm and service centers at the branch farms. The company and the service centers had two levels of management. The company had centralized control over all of the farm's mechanized operations, machine and truck dispatching, personnel scheduling, the supply of materials and fuel, technical training, safety, and other matters. All of the tractors and power tools that originally had belonged to the branch farms were placed under contracts between the company and the branch service centers, except for small tractors of 20 horsepower or less that were sold off to farm members at a discount. The terms were set for 3 years. Professional, family operations on state farms were provided with technical information services and personnel training, as well as supplied with the fuel and materials that they needed.

12994/12795
CSO: 4007/184

VICE GOVERNOR URGES FARM MACHINE PRODUCTION, MANAGEMENT

Beijing ZHONGGUO NONGJIHUA BAO in Chinese 4 Nov 85 p 1

[Article by He Zexu [0149 0463 1775]: "Jiangsu Vice Governor Ling Qihong [0407 0796 7703] Suggests that Developing Farm Machine Production and Enhancing Farm Machine Management Are the Keys to Accelerating the Growth of Agricultural Mechanization"]

[Text] At the "Southern Jiangsu On-Site Conference on Zero-Tillage Mechanized Seed Drilling for Wheat, Barley, and Oats" that was held recently, Vice Governor Ling Qihong suggested that the only way to solve the current problem of an undermanned, underskilled rural agricultural labor force is to accelerate the technological transformation of agriculture and quicken the pace of agricultural mechanization. The present task in this effort is to develop farm machine production and enhance farm machine management.

Ling Qihong said that in the wake of an expanded commercial economy, agricultural mechanization must spawn a moderate degree of specialized production based on household operation. The need for agricultural modernization and mechanization grows ever more urgent in the countryside, and the demand for variety and standards grows greater and greater, but our current farm machine production falls far short of meeting the requirements of this situation. In the past few years farm machine power has increased significantly in Jiangsu. In 1984 agricultural motive power province-wide reached 21 million horsepower, an increase of 82 percent over 1978. The number of walking tractors increased from 192,000 to 440,000 in that time period, though in 1978 walking tractors worked 102 mu of cropland per horsepower and by 1984 that figure had dropped to 33 mu per horsepower. One major reason for this phenomenon is the low proportion of comprehensive farm implements. Many rural cadres and farmers have complained to us because suitable sets of farm implements have been unavailable for them to buy. This situation cannot help but be of concern. Consequently, we must progressively shift our emphasis in farm machine production away from the effort to raise the total quantity of motive power, and instead stress various comprehensive sets of farm implements. We must accelerate production of farm implements and improve the completeness rate of tractors. We must especially produce more seed drills, trench diggers and processing machinery for farm sideline products.

Ling Qihong suggested that the farm machinery sector should enhance its management, maintenance, and technical training on existing farm machinery in order to improve the proportion preserved in good condition. It must organize the various specialized farm machine teams and households to do a good job in agricultural services. All tractors originally possessed by collectives, whether they were paid for by households at a reduced rate or whether they were contracted to households, must assume a certain part of the job of working cropland. Tractors possessed and operated by households must also shoulder the task of working farmland. Village farm machine management stations (or teams) must actively organize households that have and do not have machinery to sign work contracts and put into effect cropland work assignments and fee collection standards. In the future we must actively promote rural collective or jointly initiated farm machine service industries.

12510
CSO: 4007/152

ACHIEVEMENTS OF STATE FARMS DURING REFORMS NOTED

Hohhot NEIMENGGU RIBAO in Chinese 19 Aug 85 p 1

[Article: "State-Run Agricultural and Livestock Farms Prosper Throughout Region During Reforms"]

[Text] The spring breeze of reform has been felt in the state-run agricultural and livestock farm system in Nei Monggol. Throughout the autonomous region 120 state-run agricultural and livestock farms keenly anticipated reform, abandoned many years of following a rigid pattern for running the farms and widely implemented the system of contracting responsibility. More than 53,700 worker household agricultural and livestock farms, have been set up to date and the agricultural and livestock farms have basically been brought under family management.

In the past, the state-run agricultural and livestock farms throughout the region depended on state planning for production, depended on state-supplied goods and materials, depended on state investment for construction and depended on state subsidies to cover losses; moreover, the enterprise leaders and workers did not assume economic responsibility for management. This economic system where the staff and workers ate from the "large pot" of the enterprise, and the enterprise ate from the "large pot" of the state seriously impeded development of the agricultural and livestock farm economy. The accumulative total of losses before 1982 from the 120 agricultural and livestock farms throughout the autonomous region amounted to more than 700 million yuan. Following the 3d Plenum of the 11th CPC central Committee, the agricultural and livestock farm system regionwide universally implemented a restructuring of the economic system, overcame "leftist" influences, groped its way through, started by implementing a system wherein workers contract for economic responsibility and successively underwent several stages of economic reform, such as giving incentive awards on top of basic wages, distributing net profits, paying wages based on output, assigning responsibility on a large scale and setting up family-run agricultural (livestock) farms for the workers. We took five large steps in 5 years: from 1981 to 1982 there was an average annual deficit of nearly 20 million yuan; in 1983 we turned deficits to surpluses for the system as a whole and removed the stigma of suffering losses for 16 consecutive years; in 1984, although some districts suffered natural disasters, gross output value of industry, agriculture and animal husbandry for the system as a whole still increased 3 percent over 1983; in 1985 the livestock industry

systemwide had experienced bumper returns and for agriculture, with the exception of individual districts which were afflicted with a drought, the crops in the great majority of districts did well. It is estimated that the system as a whole could well achieve the profit target of the 1985 plan. The state-run agricultural and livestock farms throughout the autonomous region mainly paid special attention to six things during reforms:

1. They restructured the management organization and changed administration and management to serve the enterprises. They devoted major efforts to simplifying the management organization and reduced management (and technical) offices (sections) at the autonomous region, league city and farm levels by 40 to 70 percent. The Dayangshu Bureau abolished the production team-level organization, established family-run farm management districts and reduced management personnel by 900; simultaneously, various bureaus implemented basic reforms administratively. By the first half of 1984, nine bureaus at the league city level had organized and established joint agricultural-industrial-commercial corporations, launched work pertaining to the business of purchasing, processing and marketing farm sideline and livestock products and have brought agriculture, industry and commerce under comprehensive management. In 1984 and 1985, the vast majority of farms throughout the autonmous region set up service companies to supply pesticides, chemical fertilizers, improved varieties and information to contract households and family-run agricultural and livestock farms.

2. They implemented a responsibility system and a system for advertising job vacancies. Farm managers operated in an economic responsibility system where they assumed responsibility for profits and losses for the whole farm, and qualified units, with the consent of higher authorities, could themselves select their deputies, associated cadres and management personnel. Suolun [4792 0243] livestock farm in Hinggan League implemented the farm manager responsibility system in 1984 and changed the leadership system where the party and government were combined and where everybody had authority but no one had responsibility. The farm manager boldly utilized his talents and that year made up a 390,000 yuan deficit and realized a profit of 100,000 yuan.

3. They readjusted economic policy and extended production management authority and financial authority. They provided the state-run agricultural and livestock farms, contract households and family-run agricultural (livestock) farms with ample production management authority, and as long as they guaranteed to fulfill grain, oil crop and livestock product assignments, the managers could arrange production and dispose of the products of their own accord. Under the principle of the state comes first, following by the enterprise and then the individual, the enterprise had the authority to allocate funds for full support and maintenance and to retain surplus profits, and thereby enhanced the vitality of the enterprise internally.

4. They implemented diverse forms of ownership. In the wake of implementing the system of assigning responsibility for tasks and setting up family-run agricultural (livestock) farms, changes occurred in the production organization, economic structure and distribution forms within the farms, and they began to develop from contracting for or leasing some of the means of production for the workers to use to appraising and returning them to the households.

At the present time, the vast majority of agricultural and livestock farms have already appraised such means of production in agriculture and animal husbandry as implements, livestock, forests and small-sized production facilities and returned them to the workers. Means of production such as land, grass and livestock farms, a portion of large farm implements, relatively large buildings used for production and water conservancy facilities were returned to ownership by the whole people.

5. They implemented the principle of distribution according to work and restructured the wage system. This work was carried out in synchrony with pursuing an economic responsibility system, and as contracting became more pervasive, wage fluctuations became greater. As we entered 1984, in the wake of turning agricultural and livestock farms over to families to run, we changed the three wage scales of the past and implemented a completely floating wage system. With this form of wage distribution where a quota is turned over to higher authorities and one is responsible for his own profits and losses, it is possible to bring the workers' initiative into full play.

6. They changed the organizational work style and enhanced guidance and services. Beginning in 1984 management bureaus at the autonomous region and league city levels changed the organizational work style of the past, which was to issue orders; personnel in the administrative organs devoted their main energies toward thoroughgoing grass-roots level investigation and research, provided the leaders with ideas for making policy decisions regarding reforms and economic construction and supplied the workers with management measures and information sources. Of the 68 cadres in the regional bureau last year, 49 of them spent more than 1,100 days on farms carrying out investigations. They organized another five investigation and research teams in May this year, which went to various farms and got deeply involved in readjusting the industrial structure and guiding the work of improving and perfecting the family-run agricultural (livestock) farms.

12513
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ISSUES INVOLVED IN READUSTING PLANTING STRUCTURE DISCUSSED

Hohhot NEIMENGGU RIBAO in Chinese 19 Aug 85 p 4

[Article by Niu Chenguyan [3662 4453 6678]: "Several Issues Which Should Be Attended to in Readusting the Planting Structure"]

[Text] Through 5 years of success in restructuring the economic system, a new situation is now at hand in the broad rural areas of the Nei Monggol Autonomous Region, namely, comprehensive readjustment of the rural industrial structure. This new situation requires the people to break completely with their former traditional thinking and understanding in favor of the keen minds characteristic of commodity managers, proceed from market requirements, readjust the irrational portions of the rural industrial structure, and have production in the countryside develop in a healthy manner in the direction of commodity production, fine-quality products, product diversification, and construction seriation. With respect to readjusting the rural planting structure, we must not merely think in terms of readjusting the internal planting structure alone, rather we must proceed by coordinating it with the livestock and food-processing industries and market circulation. A rational planting structure will bring the best comprehenisve benefits, namely, economic, social, and ecological benefits. An important principle to keep in mind in readjusting the planting structure is to do our best to integrate those three benefits; we must not overemphasize any one of them at the expense of the others. Several issues to which attention must be paid in readjusting the planting structure are discussed below.

1. In readjusting the planting structure, at the same time as the all-around implementation of the construction policy of "focusing on forestry and animal husbandry, and economic diversification," there must by no means be a relaxing of grain production, and we must maintain the momentum of substained development. Relatively large successes have been achieved in grain production in the autonomous region in recent years, but a sober look reveals that grain production in Nei Monggol is lower than the national average and that there are fairly wide fluctuations in the yearly gross output. For this reason, it is necessary for all areas that are suited to expanding grain production to continue to successfully carry on grain production and try hard to raise the grain self-sufficiency level throughout the autonomous region. Beginning this year, the system of centralized procurement of grain will be abolished and will be replaced by contracting for fixed purchases. The grain

varieties in the autonomous region for which fixed purchases apply include wheat, corn, paddy and the soybeans of the four eastern leagus (cities); other grain varieties will follow the market. Oil-crop varieties subject to fixed purchases include oil-type sunflowers, flax, and rapeseed. These will be unrestrained buying and selling of the oil-crop varieties withdrawn from centralized procurement, following the market. Based on the provisions of the policy outlined above, the various localities may carry out readjustment of wheat, corn and paddy crops in accordance with the fixed-purchase contracts signed with the state, the purchasing contracts signed with grain management, processing, and consuming units, and comprehensive consideration of the people's livelehood and market requirements. They may implement diverse approaches to handling grain withdrawn from centralized and assigned procurement and grain varieties for which there is self-sufficiency or customary use, such as Chinese sorghum, naked oats, corn millet [mei gu 4745 6253], and potatoes. During readjustment they must pay attention to economic information and market sales.

2. We must maintain the appropriate ratio of grain crops to industrial crops. Since the 3d Plenum of the 11 CPC Central Committee the various localities throughout the autonomous region have taken vigorous action to readust the planting structure, to change the approach of carrying on grain production alone, to bring the stengths of the region into play and to expand industrial crop acreage; all these played a large role in fulfilling social needs, enlivening the rural economy and increasing peasant income. What is important to note is that at the present time there is an excessive tendency to pusue economic benefits alone by planting industrial crops, such as sunflowers, in some areas where climatic and soil conditions are suitable for growing both grain and industrial crops. When readjusting the planting structure, we must keep to a certain ratio of grain and industrial crops. Where the situation and conditions of various localities are different, the ratio will be different as well. Thus beet and oil-type sunflowers must be planned as a whole and arranged under the guidance of the state plan and in accordance with fixed-purchse contracts, and comprehensive consideration must be given to economic, social, and ecological benefits. We must not, under any circumstances, again engage in "planting whatever brings in the most money." Blindly expanding industrial crops does not benfit the state and helps the peasants even less.

3. Based on market demand, bring into play local natural resources and social, economic, and technical strengths and devote major efforts to producing well-known, exceptional, rare, superior, and new farm sideline products. Nei Monggol encompases a vast territory and has abundant resources; each of the various localities has its own superior crops and farm products which enjoy a great reputation, such as buckwheat, small red beans, mung beans, brewing barley, Hateo, honey melon, and traditional Chinese medicinal materials. We must base the production of these well-known, excpetional, and rare crops within the autonomous region, keep in view the country as a whole and do all we can to move in the direction of marketing abroad. We must readjust the planted area in accordance with market demand within and outside the autonomous region as well as such aspects as the labor force technical conditions, crop rotation requirements, and ecological benefits.

4. Vigorously expand forage grass, fodder and green-manure crop acreage and form a grain/industrial crop/forage grass, fodder, green manure rational planting structure step by step. The first step here is to bring about a fine cycle within the planting industry and further bring rational transformation and circulation to the ecological system to ensure steady and continued increases in agricultrual production. Of course we must suit measures to local conditions in selecting which varieties to grow, and we must strengthen cultivation management and fully utilize forage grasses and fodder to expand the livestock industry.

5. Pay attention to improving varieties and raising product quality. One of the various inharmonious phenomena present in the process of converting rural industry to a commodity economy is that agricultural production is ill-adapted to the requirements of market consumption; this is principally manifested in the low quality of certain farm products and an incomplete selection of varieties. For this reason, when readjusting the planting structure we also must see to it that importance is given to improving crop varieties and raising their quality. The advantages of this are readily apparent: first, it could directly increase peasant income; second, the products would be competitive and it would be easy to open up the market. We must use good methods to preserve the fine properties of introduced and popularized good varieties. We also must pay attention to issues such as product processing, storage, and transport to avoid unnecesary loss and waste.

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INCREASE IN AREA AFFORESTED BY AIR

Hohhot NEIMENGGU RIBAO in Chinese 9 Sep 85 p 1

[Article: "New Breakthrough for Aerial Planting of Forage Grass in Nei Monggol This Year; Regionwide Aerial Planting Amounts to 1,431,800 Mu, Sets Record for Greatest Acreage Sown by Air in One Year"]

[Text] This year's aerial planting of forage grass in Nei Monggol Autonomous Region has been concluded successfully. According to figures as of 20 July, the area planted to forage grass by air for the autonomous region as a whole amounted to 1,431,800 mu, which was 161,800 mu greater than the same period last year and which was 81 percent above the planned quota.

The aerial planting of forage grass in Nei Monggol this year was the first year of turning to the demonstration stage for planting by air following experimenting with aerial planting the previous 6 years. Viewed in terms of the aerial planting situation for the autonomous region as a whole, this was a year of simultaneous development of quantity and quality, synchronous and developmental advances, and some reforms. The characteristics are as follows:

1. There was consolidation of old planting districts, opening up new planting districts, consideration given to livestock and farming districts, and gradual expansion toward agricultural districts. In order to expand the aerial planting demonstration areas, planting by air was undertaken this year to actively open up new planting districts at the same time as maintaining the old planting districts, and of the six aerial planting points newly added this year, half were farming districts. Most of the farming districts planted by air were lands withdrawn from cultivation and abandoned waste and selected after readjusting the rural industrial structure. Labor was plentiful and we took advantage of that to promptly fill in the gaps by planting manually those areas where it was difficult to plant by air, such as leftover bits of land, gullies and valleys and land missed during planting. The area sporting seedlings this same year amounted to more than 90 percent.

2. Aerial planting was integrated with helping the poor. In order to have the funds for aerial planting bring great benefits and adhere to the principle that outlay must be complete, the focus of consideration was the outlying livestock districts, mountainous districts and old districts, to change as quickly as possible the backward nature and impoverished circumstances of these areas.

At the same time, the farmers and herdsmen in these areas were highly enthusiastic in their requests for aerial planting; they pooled funds on their own initiative from banners (counties) to sum (villages), encircled grass farms on which degeneration and desertification were severe, and did a good job of all preparatory work prior to aerial seeding.

3. People assumed responsibility for tasks assigned by the state and gradually brought about the simultaneous development of the state, the collective and the individual. A large amount of grass farm acreage in Nei Monggol was suffering from degeneration and desertification and an area of about 200 million mu urgently awaited aerial planting. In order to resolve the problem of funding this year, in addition to continued investment by the state, they also adopted diverse approaches on multiple levels to raise funds, fully aroused the initiative of the various parties involved and thereby ensured the successful completion of this year's aerial planting task.

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INVESTMENT TO DEVELOP GRASSLAND PROVES WORTHWHILE

Beijing NONGMIN RIBAO in Chinese 2 Oct 85 p 2

[Article: "Nei Monggol Herdsmen Invest 100 Million Yuan To Set Up Grasslands; Change Concept of Emphasizing Livestock at Expense of Grasslands, Gradually Move in Direction of Building Up Stock-Raising"]

[Text] The broad masses of herdsmen in the livestock districts of Nei Monggol last year raised 100 million yuan themselves and carried out grassland construction, and began to move gradually from depending on heaven in raising livestock toward building up stock-raising.

Since implementing the "grasslands-livestock dual contract system," in the livestock districts of Nei Monggol, the herdsmen have gradually changed their traditional mentality of overemphasizing livestock and paying less attention to grasslands, and have broken down the practice of merely exploiting grasslands rather than buildng them up, and merely taking from them without putting anything into them in return. They began to change from concentrating only on secondary production to concentrating on primary production, adhered to the principle of simultaneously promoting the household, combined household, collective, and the state, and focused on setting up manmade pastures for livestock herds. A great upsurge appeared in constructing grasslands through all-round construction of manmade pastures, banking the sands to grow grass, planting grass artificially and bringing about a fully complement of water, grass, forests, and machinery; the herdsmen gradually embarked on the new road of conscious construction, constructing with high standards and integrating planting and stock raising.

The herdsmen of Uxin Banner adhered to concentrating on small scale and practicality in constructing stock-raising households and manmade pastures for stock herds and set up four types of grasslands based on stock-raising requirements; namely, hay fields, rotation grazing pastures, close sandy areas to raise grass and pastures formed through economic diversification. Funds raised by the herdsmen themselves accounted for one-thrid of the total of 22.5 million yuan invested in construction of grasslands through the banner last year. Bairin Right Banner relied mainly on herdsmen investing in construction to complement state support; in recent years they have constructed 1.01 million mu of family grasslands, which accounted for 17.9 percent of total grassland area throughout the banner. Development in Urad Rear Banner

centered on water, and grass and livestock farms which focused mainly on all-round construction of pastures and planting trees and grass have basically been set up; the state, collectives and individuals invested jointly and set up 9 small-scale water reservoirs, 9 seepage piping projects, 36 canals for channeling water and 5 projects for blocking subterranean drainage. As a result, fodder area for the banner as a whole increase five fold, the area from the network of surroundng dams and dikes amounted to more than 130,000 mu and artifically created grasslands for livestock herds increased from 86 in number to 206.

The emergence of an upsurge in grassland construction is just now changing the ecology and environment of the grasslands and livestock production throughout the autonomous region. In the Ordos grasslands of Ih Ju Meng League, where there is an extremely serious problem of grassland being lost to sand, the masses relied mainly on regeneration through their own efforts, with investment by the state playing a secondary role. They devoted major efforts to activities related to planting grass, trees and ningtiao [2899 2742]; at the same time, they engaged in aerial sowing on a large scale, so the area lost to sand dropped from 80 percent in 1977 to 40 percent last year, and the area in forests, grass, and vegetation increased from 36 percent to approximately 60 percent, which was the first step in changing the impact on animal husbandry on losing grasslands to sand.

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DEVELOPMENT OF FISHERY DISCUSSED, ADVOCATED

Hohhot NEIMENGGU RIBAO in Chinese 23 Sep 85 p 4

[Article by Cheng We [2052 2976]: "Everyone Must Pay Great Attention to Expanding Fishery Production"]

[Text] Fish is fine-quality food which is high in protein, low in fat and low in cholesterol, and assumes a role not to be ignored in enhancing the people's health and increasing mental capacity. In readjusting the rural industrial structure, fully exploiting fishery water resources and speeding up development of fishery production is an extremely pressing task and one which should arouse a high degree of attention.

I. Fishery Potential Is Immense

Nei Monggol has 9.1 million mu of fishery water areas as lakes and reservoirs, and more than 10 million mu of low-lying land and saline-alkali sands which could be opened up and utilized for fish farming. Nei Monggol is in the forefront among its brother provinces and autonomous regions in water area for freshwater fishery, and is first in area per capita (with the exception of Xizang, which has yet to be opened up and exploited).

Fishery development in Nei Monggol has been halting and slow for many years. The pace has speeded up since the 3d Plenum of the 11 CPC Central Committee but the annual rate of increase has been only 6.7 percent, average per-mu output is only 5.3 jin and we have yet to reach the highest yearly output on record. During the same period, the annual increase in grain and pulses in Nei Monggol has been greater than 10 percent and the annual increase in freshwater fish nationwide has been 16.1 percent; in Heilongjiang Province, with atmospheric temperatures similar to those in Nei Monggol, the annual increase in fish output has been 28 percent and average per-mu output has been more than 20 jin.

To this day, fish has been the foodstuff in tighest supply among the various foods. The price of fish is higher than its value and money and labor have been invested alike so earnings from fishery should be higher than for the various interrelated industries. Therefore, the present is indeed an opportune moment to tap the potential for fishery production.

II. Devote Major Efforts to Developing Aquatics Breeding and Fishery

The pattern for fishery production is the same as that for agriculture, from gathering to planting, and the same as that for animal husbandry, from hunting to breeding; the inevitable trend in the development of fishery production is from fishing for natural fish to artificial breeding of fish. We have basically completed this historical process nationwide for freshwater fish; artifically bred fish account for 80 percent of total output. We have not yet finished in Nei Monggol, where artifically bred fish account for only 23 percent of total output and breeding is extensive rather than intensive.

Fishery waters can be exploited in three dimensions; they are superior to fields and grasslands, which can only be exploited in a two-dimensional plane. Different types of fish and aquatic plants and animals grow and dwell in different water levels, so we can breed, gather and catch aquatics in the upper, middle and lower water levels at the same time. Fish are coldblooded animals; their energy consumption is low and they have a higher feed to meat conversion ratio than livestock and poultry. Feed to meat ratios are: cattle, 7 to 1; hogs, 4 to 1; chicken eggs, 2.5 to 1; fish, 2 to 1.

Developing intensive fish-farming ponds is an undertaking where investment is low, expansion is rapid and return is high.

As for repairing, maintaining and exploiting small ponds, low-lying land, and saline-alkali sands, once they are set up as intensive growing ponds, as long as the basics, such as water, seed and bait are reliable, by investing labor and technology a return can be realized that same year and the fishpond can be utilized in a cycle of 10-plus or several tens of years.

Fishing for natural fish in the large water areas, which are mainly managed by state-run fisheries, results in resource protection not receiving proper coordination from various circles, to the point where fish resources are reduced and quality is lowered. The state-run Ulansuhai Nur fishery contracted with households to carry out intensive growing on river bends, forks in lakes, and fish-farming ponds. Contracting for the management of a predetermined water area, contracting for output from a fixed screened-off area and contracting for profits from set costs has resulted in brilliant achievement in resource protection and economic return. Hubei Province has passed on fine experiences: by adopting such approaches as fish farming using nets and traps, and raising fish in pens and enclosures it has divided the "large" into "small," and replaced "large" with "small," "extensive" with "intensive," and "inferior" with superior" and achieved the goal of "increasing aquatics growing near and far." State-run fishery is the guiding force and rests on a fine foundation; we definitely must, as quickly as possible and by suiting measures to local conditions, achieve success in the highly difficult project of fish farming in large water areas.

III. Objective of the Struggle

A most heartening target to strive for was proposed in the first half of this year at the aquatics work conference for the entire autonomous region: to

increase fresh-fish output 16 times from a base of 22.7 million jin in 1980 to 363 million jin by the end of this century. This will be divided into two steps: the first step, from 1985 to 1990 is for annual fresh-fish output to reach 100 million jin, which is an annual average increase of 20.9 percent. Included in this will be the managing and exploiting of 7 million jin of natural water areas, with an average per-mu output of 10 jin, and developing 300,000 mu of intensive growing ponds, with an annual average per mu output of 100 jin. The second step, from 1991 to 2000, is to make the rural economic structure and the internal structure of fishery basically rational through readjustment, to popularize and to improve fish-farming techniques, and to realize a certain accumulation of funds. This will result in rapid development where there will be 23-percent annual increase in artificial and intensive fish farming.

IV. Several Measures

First, relax policy and encourage the development of fish farming. Uphold the guiding principle of simultaneously promoting the state-run, collective, and individual. We must assign waste water which is suitable for fish farming, saline-alkali and waterlogged lowlands which can be reclaimed, the banks of former river courses, abandoned canals, etc., to the masses to develop fish farming, just as family plots and mountain plots were assigned, and issue permits. Mobilize and support social groups, have industrial enterprises pool funds and labor, and supply techniques to develop fish farming. Open up to the outisde and welcome the various provinces and municipalities in the interior to come to Nei Monggol to invest funds and technology to develop fish farming, lengthen the terms of contracts for developing fish farming and permit inheriting and compensable transfer of possession. The aquatics management organization should set up special groups and exploit investigation and research work in this respect.

Second, rigorously protect fishery resources. Fishery waters resources and aquatic plant and animal resources are important subjects of labor in fishery production. The relevant regions and sectors must conscientiously implement policy decrees for protecting fishery resources, improve fishery management and administrative structure and uphold its right to enforce the law; earnestly resolve in a satisfactory manner the economic benefits for the masses surrounding the fishing districts, arouse the masses' consciousness with respect to protecting fishery resources; protect the rights and interests of fishery management units and fishery producers in delimiting waters. State cadres, staff, and workers who instigate or support the destruction of fishery resources must be punished through administrative discipline and even legal sanctions as required.

Third, construct a sound foundation. The fishery foundation in Nei Monggol is weak and to have a fishery play its proper role in the national economy we need to construct the foundation in a down-to-earth manner. First, proceeding from the existing fishery divisions, we must further investigate resources which can be reclaimed and developed, especially mid-sized and small water areas, usable low-lying land and saline-alkali sand areas and sites, to map out a development program and provide a reliable foundation. All the

districts to be reclaimed for fish farming must have reliable water resources, sufficient amounts of water, water quality suited to fish farming, adequate water in drought years and yet which will not flood during wet years. Secondly, we must bring to a close as quickly as possible the practice of purchasing fingerlings from the Chang Jiang for fish farming and stand on our own to revive and expand our own fingerling production.

Lastly, training specialists and increasing technical and management quality is a major program of fundamental importance over the long term for ensuring the steady expansion of fishery production. Approaches which we already have implemented or which we should start are: all of the existing agricultural colleges, polytechnic schools, and institutes and schools run by the local people which have the prerequisites, or for which the proper conditions can be brought about, should offer aquatics as specialized subject or class; value and take good care of existing technical and management personnel and full capitalize on what they have to offer. Encourage all those who have the ability, to undertake the task of training people, or have one person lead groups or teams of apprentices, and provide cash subsidies for excellence; invite specialists from other provinces to come to Nei Monggol to teach and invite master workers to come to train apprentices, with renumeration based on excellence; send students to other provinces to study techniques or management; set up technical and economic popularization centers in the centralized fishing districts, where those run by the state, by the local people, and through public bidding are all acceptable, and provide essential support at the startup stage.

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ISSUES IN PURCHASING, SELLING BEETS RESOLVED

Hohhot NEIMENGGU RIBAO in Chinese 9 Sep 85 p 1

[Article: Nei Monggol Western Region Experiences Bumper Beet Harvest; Autonomous Region Economic Committee Actively Resolves Beet Purchase, Sales, Handling, Transport Issues"]

[Text] As a result of greater beet harvests, we must earnestly implement fixed-amount purchase contracts for beets to guarantee purchases; to increase purchases as much as possible for beets not under contract we must do a good job of transporting and handling them and appropriately extend the extraction period. These are the requirements proposed for the various districts by the autonomous region economic committee at its recently convened western region beet purchase, transport and processing work conference.

Beets are one of the major cash crops in the western region of Nei Monggol and are an important source of income in the peasant economy. This year, as a result of conscientiously implementing the spirit of Central Committee Document No 1 and actively readjusting the agricultural production structure, there was a relatively large expansion in area planted to beets. Under the guidance of the scientific research departments the broad masses of peasants carried out scientific planting and improved cultivation techniques, which increased the output of beets. The area devoted to keeping a full stand of seedlings in the western region this year amounted to 840,000 mu, which was an increase of 370,000 mu over last year and gross output totaled 1,534,000 tons. The increase in beet output exceeded the processing capacity of the sugar mills and this year there were 154,000 tons of beets that could not be processed; this was the first instance of beet surpluses in the western region, especially in the area of Bayannur League.

Through discussion at the conference, the various sugar mills in the western region decided to advance the date that they would go into operation, to increase their handling capacity and to extend the processing period so the gross amount of beets processed amounted to 1,379,000 tons, which was a 19.8 percent increase over the rational processing capacity and 79,000 tons greater than the amount contracted for, or a 6-percent increase. Purchase by the various sugar mills was guaranteed for the beets covered by fixed-amount purchase contracts, and as many beets as possible which were not under contract

were purchased at negotiated prices, which ensured that the fruits of the peasants' bumper harvests were truly converted to wealth and every means possible was employed to lessen peasant losses. The various sugar mills decided to move up training for their purchasing personnel, to implement rigorously a purchasing standard of pricing according to quality, to strictly prohibit such penomena as holding down prices by lower the grades, docking excessively and refusing to purchase without cause. They improved their attitude toward services and conscientiously resolved the issue of the peasants' beet selling difficulties. As for the beets which could not be purchased this year, the conference recommended that the broad masses of peasants implement storage and preservation, in addition to digesting some on their own, and the sugar mills would continue purchasing next spring those beets which had not frozen or rotted. In order to encourage the various sugar mills to process more beets, the autonomous region people's government decided to expand the proportion of products which could be sold on their own initiative, and to abolish standard transport certification procedures so the various sugar mills, in addition to fulfilling the commercial purchasing plan, could sell the excess portion on their own.

In light of the situation this year where there was a large quantity of beets and sunflowers seeds to be transported, and where time was pressing and the task was hard, representatives of the Hulun Buir League Railroad Bureau who attended the conference quickly formulated a transport program and implemented it at the various stations and farm commodity locations. They have guaranteed more, fast and timely transport, and before the end of next February will transport by rail 445,000 tons of beets to the various sugar mills in a balanced manner and will work hard to finish ahead of schedule.

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GREATER ROLE FOR FREE MARKETS IN VEGETABLE DISTRIBUTION URGED

Shanghai SHANGHAI JINGJI [SHANGHAI ECONOMICS] in Chinese No 2, 15 Apr 85 pp 18-19

[Article by Shi Leifeng [2457 7191 1496] of the Shanghai Academy of Social Sciences: "How To Improve the Vegetable Purchase and Marketing System in Shanghai"]

[Text] Since the 3d Plenum of the 11th CPC Central Committee, the production and supply of vegetables in Shanghai has improved. During the past 5 years, neighboring counties have annually supplied the municipality with an average of more than 24 million dan of vegetables. Of this total, 4 to 5 million dan are processed and shipped out, supplying residents in nearby counties and towns and localities farther off. An average of 50,000 to 60,000 dan of vegetables are sold at markets every day in Shanghai Municipality; each person consumes an average of 350 to 400 grams each day. The supply of vegetables to the city's residents has achieved stability, retail prices are fundamentally steady, and the overall production and marketing outlook appears to be improving. However, other problems have not yet been fundamentally solved, such as the lack of variety, a decline in quality, and imbalances in the supplies brought to market. Two particularly pressing problems concern waste and the state subsidy that is increasing annually. According to statistics, in recent years the vegetables that Shanghai Municipality has purchased wholesale for resale have accounted for 20 to 30 percent of the total amount sold in the city markets. Such large quantities of purchases for resale create very serious losses for the state. In 1983, the subsidy totaled 45.8 million yuan, an increase of 3.45-fold over the 1976 level of 10.09 million yuan. Many factors have contributed to the above-mentioned problem. Production conditions are not good, technical standards are low, protection against disasters is weak, operations and infrastructure are backward, and there are other contributing reasons. But a very important reason is that the system of centralized procurement and sales for vegetables is not well matched to the present situation in which the urban and rural economies are undergoing change.

The vegetable purchase and marketing system that is used in Shanghai is as follows: the state sets the purchase prices and market prices for vegetables, and vegetables produced in the neighboring counties are centrally purchased and sold by the state vegetable company. When production exceeds quotas, or

when purchases exceed quotas, then the vegetables are supplied to urban residents according to a plan. Other enterprises or individuals do not have the power to engage in these operations. The state has complete financial responsibility for the state vegetable company and provides financial subsidies for losses incurred during operations.

The principal drawbacks to this kind of system are as follows:

1. Production and consumption are poorly matched. The production and sales planning is a meaningless formality. Under the system of "centralized control over everything," production departments have no need to pay attention to the market or to worry about vegetables remaining unsold. When production arrangements are made, frequently only the quantity and the value of production and the size of profits receive attention. Variety and quality are overlooked, giving rise to monotony in the variety of vegetables offered, a decline in quality, poorly timed deliveries to market, and serious losses due to waste. Although the production units and the commercial units frequently sign production and marketing contracts which stress planned planting and market deliveries, the plan are not made carefully or lack concrete measures. With so many varieties of vegetables, with complicated crop rotations to consider, with production damaged by natural disasters, and with market needs frequently in a state of flux, it is frequently very difficult to meet the planned production objectives.

2. The power to control prices is excessively centralized, which is not appropriate to the unique characteristics of vegetable-production operations. Excessive centralization of control over prices undercuts the role that prices can play as a lever in adjusting production and in balancing supply and demand. There is no way to permit price differences for variety, quality, or season, which in turn means there are fewer incentives for the producers.

3. The vegetable company eats financial subsidies from "the iron rice bowl," and vegetable-producing farmers eat "from the iron rice bowl" in centralized purchasing and marketing. The centralized system of purchase and marketing deprives vegetable-producing units of the vitality that they should have. Everyone eats the state's financial resources in "the iron rice bowl." Financial subsidies confuse policy problems with operational losses and obscure both the waste found in operations and the backwardness of enterprise management.

4. Production, distribution, and sales are separate administrative systems. The present systems of vegetable management are separated according to administrative departments. The agriculture bureaus oversee production; the commercial bureaus oversee markets; the price control bureaus oversee prices, the financial bureaus oversee the subsidies; local governments oversee retail vegetable markets. This kind of multiheaded leadership and complicated administrative management system separates responsibility, power, and interests. Those with responsibility have no power; those with power have no responsibility. Thus, it is difficult to thoroughly implement a responsibility system.

The centralized purchase and marketing system for vegetables must be reformed in order to hasten the expansion of vegetable production, to meet the vegetable consumption needs of urban residents, and to gradually reduce the financial subsidy burden shouldered by the state. The guiding principles for the reform should be the following: under the guidance of the state plan, the scope of market adjustments should be gradually expanded, fully permitting the law of value to play its proper role. Enterprise autonomy should be expanded. A grid for distribution of vegetables should be established, taking state commerce as the leading guide, and using various kinds of economic forms, operational forms, and paths of circulation to open up markets and reduce layers of bureaucracy. Concretely, the reforms should do the following:

1. The system of state vegetable purchases should be gradually eliminated. For the important kinds of vegetables, such as greens, cabbage, Chinese cabbage, winter melon, and others, the present policy of planned purchases should be continued. The state's vegetable-purchasing agencies should sign purchase contracts with vegetable production units or individuals. Based on demand, the vegetable producers should sell to the vegetable-purchase agencies according to vegetable variety, quantity, quality, time of delivery, and planned price. The state's wholesale-purchasing agencies should supply the vegetables to retail vegetable markets in proportion to the local population. The state should continue to sell the items within the purchase plan at a subsidized price. For those items outside of the purchase plan, producers should be permitted to use many channels of free marketing, and state agencies responsible for vegetable distribution should be responsible for protecting purchase prices. For vegetable varieties other than those mentioned above, there should be complete freedom in delivery and trade.

2. The law of value should be permitted to play its proper role. First, appropriate adjustments in vegetable prices will gradually insure a reasonable difference in price among differing commodities. It will also gradually eliminate the unnatural inversion of purchase and retail prices. It will reasonably provide for all kinds of price differences, such as for quality, season, region, etc. Second, different prices should be used for differing varieties. A planned floating price would be used for varieties purchased by the state. Free markets would determine the prices of the other vegetable varieties. At the markets, producers, managers, and consumers would negotiate prices based upon market supply and demand. That is to say that aside from the principal vegetable varieties, such as greens, cabbage, Chinese cabbage, winter melon, and others, the prices of the other vegetables would be completely unrestricted. Third, power should be decentralized and prices should be set flexibly. The managing agencies could set prices, within stipulated guidelines, to procure vegetables in short supply or to sell off vegetables in oversupply. Fourth, deficits caused by state policy should still be subsidized. At present, it would be impossible to eliminate the subsidies for vegetables. However, the subsidies should be reasonable and applied appropriately. The subsidy should be no more nor less than the deficit. Mixing together deficits caused by policy and deficits caused by management does not promote production and the balancing of supply and demand. Nor does it help in the improvement of operational management in enterprises. The total amount of subsidy, and the quantity

of vegetables distributed, should be linked with economic efficiency. A new system should be considered in which, based on the amount of losses in past years, "all responsibility is assigned for a set amount, operational deficits that exceed the set amount will not be subsidized, and a portion of savings effected by reducing the deficit can be retained."

3. Wholesale vegetable markets should be established. This kind of market should be primarily a state commercial organization, but at the same time producers, managers, and consumers all should participate in various economic forms. The scope of operations should be varied, and a new commercial forum will be provided where producers and consumers come directly face-to-face. Moreover, the market itself must be a commercial enterprise and keep independent account books. These kinds of vegetable wholesale markets should have a number of different functions, such as providing a location for wholesale trade or for exchange of trade news. They could also store or process goods, taking in and sending out goods, and in so doing stabilizing prices.

4. The autonomy of vegetable retail operations should be strengthened. Commercial enterprises with truly independent account books and which are truly responsible for their own profits and losses should be established. Retail vegetable markets must have appropriate power over "personnel, finances, materials" and over "production, distribution, and marketing." They should have the power within policy regulations to purchase goods from a variety of channels, displacing the centralized distribution of vegetables from the upper levels of administration. Many kinds of operations should be permitted, with vegetables regarded as the primary concern. They should have the power to adjust the retail price of vegetables within limits set by the state. They should have the power to approve different operational styles and services. Within the markets themselves, the motivation of the employees should be spurred by using a contract responsibility system that incorporates flexible wages and profit-sharing and that appropriately opens up greater compensation differences among the employees.

5. The unsatisfactory aspects of the administrative system should be reformed. There should be centralized supervision of vegetable production and marketing. The existing three units of the city vegetable work leadership group, the vegetable company in the city commercial bureau, and the vegetable office within the city's agriculture bureau could be combined into one unit. It would not belong to agriculture, nor to trade, but would be a unit belonging to the city government. It would concentrate centralized leadership and management over all of the city's vegetable production and marketing. In the new administrative organization, politics and administration should be separated. Administration should be simplified and power should devolve to lower units. The economy should be managed from a macroeconomic perspective. For example, the office should set a development strategy, a plan, and policies for vegetable production and operations. It should coordinate economic links between units. It should collect and transmit news and take measures to effect economic adjustments. (This has been selected from an article prepared by the Shanghai Municipality Economic Reform Symposium. The editors have made some changes.)

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MEASURES TO ENSURE CORN EXPORTS IMPLEMENTED

Taiyuan SHANXI NONGMIN in Chinese 2 Jan 86 p 2

[Article: "Provincial Government Formulates Measures To Ensure Corn Exports"]

[Text] This reporter has learned from relevant departments that: In order to ensure this year's one billion jin corn export assignment, the provincial government at the end of last year approved and circulated a "Summary of Minutes from the Meeting on Exporting Corn," and decided to establish a corn export office to be responsible for coordinating, supervising, and inspecting corn export work. It was asked that people's governments at all levels strictly control the outflow of corn supplies. From now on departments at all levels may not sell corn on their own initiative to any "suitcase businessmen" for resale at a profit without the approval of the provincial grain department. Before completion of fixed quota purchase contracts, no unit or individual has the power to sign a contract. Those that have already been signed are all null and void. The portion of foreign exchange left from exporting corn will continue to be divided among the prefecture, city, corn supply units, and export operation units according to the "four by four by two" ratio. From January of this year, the management fee for prefecture, city, and county foreign trade departments that manage corn will be raised from one percent to 1.5 percent. One-tenth of one percent of monthly management fees from the amount of money transferred out for corn by the Provincial Grain and Edible Oil Import and Export Company will be used as an incentive.

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NEW FEATURES IN LIVESTOCK INDUSTRY DISCUSSED

Chengdu SICHUAN RIBAO in Chinese 6 Nov 85 p 2

[Article by Chen Qingfu [7115 1987 4395]: "New Features in Sichuan's Livestock Industry"]

[Text] Since implementing this year's Central Committee Document No 1 and the provincial CPC "Decision To Accelerate Development of the Livestock Industry," the situation in Sichuan's livestock industry is better than expected. It is estimated that at year's end hogs on hand will exceed 60 million head; 34 million will have been shipped out and if another 5 million head were added, it would make a solid 10-percent increase over last year. During the first three quarters, pork and milk production increased 26.8 and 29 percent, respectively, over the same period last year. Total large livestock on hand is more than 9.74 million head and is continuing to rise; sheep on hand total 3.78 million head, reversing a declining trend; and domestic fowl, meat rabbits, fur rabbits, and ducklings are doubling and redoubling in volume. Livestock production is day by day becoming an important source of prosperity among Sichuan farmers.

The excellent circumstances in Sichuan's livestock industry include many new features attracting the attention of many people.

First, the feed industry is growing tremendously. It is estimated that by year's end 4 billion jin of feed can be produced in Sichuan, a more than 100-percent increase over last year. This indicates that feeding methods have changed from the previous one by one process. The quick growth of the feed industry is due to first, that the industry is no longer "prisoner to the plans" of the bureaucracy. Individuals can team up to set up a factory and hence development is becoming horizontal, rather than vertical as in the past. Second, farmers are jointly raising the capital to start small feed factories and are finding resources locally, processing locally, and marketing locally. These factories are showing great wisdom by distributing far and wide to villages, limiting production procedures and cost, keeping prices reasonable, and making things convenient for the people. Third, technical responsibility contracts have been integrated with the growth of the feed industry. Livestock departments are responsible for improving domestic livestock-raising technology, preventing the outbreak of epidemics, and treating disease and increasing the weight of livestock by furnishing good breeds. All of this depends upon guaranteed supplies of high quality, matched and mixed feeds.

The variety of breeds in domestic animals is improving. In the past 25 percent of hogs, which are the main component of the livestock industry in Sichuan, were hybrids. Some areas are maintaining the status quo, but this year hybrid hogs are expected to surpass 40 percent of the total by the end of the year. Some areas that are developing faster, such as Nanchang Prefecture and outlying areas of Chengdu, have from 70 to more than 90 percent hybrids. In recent years there were no developments in the sheep industry, but this year progress has been made. Development has been particularly quick in Liangshan Zhou. In some counties the number of sheep has increased by 70 percent. Both the quality of the wool and the output volume have risen sharply and sheep farmers' income has increased significantly as well. Economical hybridization has begun to appear in several counties. There are already more than 1 million Jianchuan hybrid ducks (Jianchang Ducks are local ducks) in important counties resulting in striking economic benefits and stimulating the duck raising industry.

Production of fur rabbits has seen a breakthrough in growth. By year's end it is estimated that the number of rabbits on hand will surpass 5 million, more than doubling last year's total. Wan county has gone from 360,000 to 1.6 million rabbits and the average per capita income of Shizhu and Yingjing counties, which exclusively raise rabbits, achieved an increase of more than 100 yuan in 1 year. This is a fantastic feat, which indicates that if an area exploits its local endowments and concentrates all its efforts on a certain project, a new state of affairs can emerge.

Sichuan's integrated livestock-raising system, in which households are associated with certain farms, has gotten off to a good start. Sichuan's breeding farms, production farms, pasture lands, and veterinary centers are to support and spur on surrounding specialized livestock households, larger specialized households, and joint specialized households. They are making progress along a new avenue and accumulating new experiences. Chengdu's Chenghua breeding farm is going outside its own boundaries and furnishing good chicken varieties to specialized households; it has already signed technological and economic responsibility contracts with 11 households that raise 20,000 ducks; the income derived from each egg-laying duck is 6 to 9 yuan. The Xuanhan County Yunneng cooperative pasture has chosen the associated family route and is developing a processing and marketing network. This system has upgraded commercialization, provided technology to livestock-raising households, improved feeds and breeds, and increased livestock commodity purchases. It has already given farming additional vitality and paved the way for growth in livestock industries.

The cultivation of grasses is part of the plant-cultivation industry and it too has achieved some satisfying results. Under the guidance of the Central Committee directive regarding the reorganization of the production structure, the cultivation of grass and trees, and the development of the livestock industry, grass cultivation in Sichuan is spreading from pasture lands to the interior and from mountains to the hills and the plains. By the end of the year, nearly 660,000 mu will have been planted in grass by hand; furthermore both grass and seed are already being produced, resulting in benefits. In some

places, efforts have begun to alleviate the seasonal clash between livestock and pasture land so as to alter the awful cycle of plumpness in autumn, slenderness in winter, and death by spring.

These are several of the new features that have appeared as part of the excellent situation in Sichuan's livestock industry; they represent the direction and path of the livestock industry and they indicate an evolution from traditional methods of raising livestock to more technologically advanced ones. It has also changed from a family sideline to a main industry and given impetus to commercialization.

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SICHUAN

STATE FARMS RECORD BEST YEAR

Chengdu SICHUAN RIBAO in Chinese 27 Dec 85 p 1

[Article by He Xiaofang [0149 1321 2455] and Zhang Dayuan [1728 1129 0337] "We Must Insist Upon Reform, Carry Out Readjustments, Implement Contracts, and Combine Management; More Than 300 State Farms in Sichuan Have Put On a New Face; This Year's Economic Results Are the Best Since the Farms' Establishment"]

[Text] The more than 300 state farms in Sichuan have insisted upon reform, carried out enterprise readjustments, and promoted family-run farms and the contract responsibility system. They have also implemented the combined management of agriculutre, industry, and commerce. This year's economic results are the best since their establishment. It is predicted that total gross production will reach 180 million yuan. Profits will exceed 20 million yuan, and the farms will pay 10.05 million yuan in taxes. These are, respectively, increases of 16, 14, and 12.4 percent compared to last year.

Most state farms in Sichuan were established in the 1950's and 1960's. Problems with the age and lower educational levels of their leadership cadres are relatively obvious. After the reform of the leadership cadres during the past 2 years, a group of intellectuals has stepped into the leadership positions and brought vitality to the state farms. They are young, energetic, familiar with their professions, and possess a spirit of creativity. During the reform, every farm has generally promoted multiple forms of output-related economic responsibility systems. These forms include family-run farms and "major contracted tasks." At the present time, there are more than 8,600 farms of all types run by workers' families. These workers are about one-third of the total work force. Those that do not belong to family-run farms have also implemented some type of economic responsibility system such as output-related and profit-related or single-job contracts. In this way, they have overcome egalitarianism and increased working efficiency. One cotton seed farm in Jintang County has promoted a "major contracted task" in agricultural production and developed farms run by workers' families. They also implemented a "five fixed, one reward/punishment" responsibility system in industrial production. Economic results have been obvious. The total value of industrial and agricultural production for the first 9 months of 1985 is equivalent to that of entire year 1984.

State farms have also emphasized enterprise structural reforms, conscientiously realized their internal potential, utilized unique resources, and developed

industrial and industrial sideline production. State farms have also effectively solved problems involving unstable farm income and farm products that are too simple or of low value. They have also played a major role in revitalizing the farm economy, increasing income, accumulating funds, and expansion for further pruduction. The state farm system has also made a special effort to increase product quality. In the past 2 years, more than 30 products have been cited for their outstanding quality by the state, the Ministry of Agriculture, Animal Husbandry, and Fishery, and Sichuan Province.

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SICHUAN

UNPARALLELED PROSPERITY FOR SWINE INDUSTRY REPORTED

Chengdu SICHUAN RIBAO in Chinese 19 Dec 85 p 2

[Article by Zhang Xinqin [1728 2450 3830]: "Reform Has Brought Unparalleled Prosperity to Swine Industry in Sichuan; This Year Commodity Swine Ready for Sale May Reach 43 Million, and Proportion of Lean Swine Continues To Increase; Large Number of Exported Swine Supplies Every Major City in the Nation; Sichuan Has Become Largest National Commodity Base for Swine"]

[Text] Following 7 years of continuing increases, the swine industry in Sichuan has made new gains this year. The total swine population is estimated to be 60 million, and 43 million are commodity swine ready for sale. This is the largest number ever and exceeds last year's production by more than 5 million. The value of livestock products in Sichuan is now 21.1 percent of the total value of agricultural products. Pork products account for 70 percent of the value of livestock products. The swine industry has become a major component of the rural economy in Sichuan.

This favorable situation involving continuing increases in the swine industry in Sichuan is the result of a recent series of major reforms in the swine industry:

--Following the 3d Plenum of the 11th CCP Congress, agriculture has emphasized management at the household level. The swine industry has used the family swine farm as a base, vigorously assisted swine specialized households, and has completely abolished the former policy of "eating from a common pot." The reform of swine ownership has dramatically stimulated farmers' enthusiasm for raising swine. Family swine farms have implemented a "combine agriculture and livestock" policy to completely and reasonably use their resources. Surplus labor has been transferred out, and productivity has increased. The percentage of commodity swine in Sichuan has increased from 35 percent in 1953 to 67 percent in 1984. Commodity swine for sale in Sichuan are one-sixth of the total available in the nation. Last year per capita consumption of Sichuan pork in large and middle-sized cities of our country exceeded 7 jin. As a matter of fact, Sichuan has become the largest commodity base for swine in the nation.

--Pork price reform has stimulated development of swine breeding. In the past, we adopted several measures to solve urban meat-supply problems. These measures included distribution of supplemental grain, division of feed lots,

subsidies in the form of extra work credits, and higher prices for pig manure. We, therefore, paid a relatively high price to solve this problem. This year Document No 1 of the Central Committee was implemented, restrictions on pork prices were removed, and commodity production developed according to the law of supply and demand. Although prices have increased, increases in Sichuan have been less than those nationwide and are reasonable in light of local conditions. As a result, market prices for meat have stabilized, swine development has been stimulated, farmers' income has increased, and market supplies are adequate. These events are beneficial for producers, management, and consumers.

--Reform of the pork-marketing system has solved the problem of "hard to buy and hard to sell." In recent years, Sichuan has insisted upon multiple-approach marketing and changed from a "one knife" to "multiple knives" approach. Cooperation among the following sectors has effectively solved the problem of "hard to sell pigs": state-run food departments, supply sectors, marketing specialized households, township enterprises, and livestock-industry merchants. In 1981 there were only 35 million swine for sale in Sichuan, but marketing problems produced the "hard to sell pigs" problem. This year we passed the 40-million-swine barrier, and a combination of our insistence upon a multiple or "multiple knife" approach and removal of pork price restrictions has produced very active swine management. Except for Shaanxi and Anhui provinces, the entire nation has come to Sichuan to purchase pork. Many swine-producing counties have signed production-sales contracts with more than 10 provinces. Farmers now breed their swine with no worry about the future. The size of swine-breeding specialized households has continuously increased, and there were 490,000 such specialized households last year (2.5 percent of all agricultural households). There have been further increases this year.

--The livestock economic system that had lost the connection between production and sales has been reformed. After removal of pork price restrictions, reform of this system became unavoidable. At the present time, two major counties for lean swine production, Jianyang and Pixian counties, have proceeded with reforms. Food companies have been placed under the administrative management of the animal husbandry bureaus. Coordination units have been established for horizontal communication between regional or township food stations and livestock stations. These two parties are economically independent, however. After 3 years of reform in Jianyang County, all tasks and goals have been exceeded, taxes and profits of 8.7 million yuan have been paid, and 100,000 lean commodity swine have been exported this year.

--Traditional swine-breeding methods have been replaced by scientific breeding methods. Rural areas in Sichuan have combined traditional experience with modern scientific technology to gradually form a comprehensive system of swine-breeding technology known as the "five Reforms." These are: feeding lean cross-bred swine rather than local fat swine; early transfer of weaned piglets to alternative feeds; replacing simple feed with mixed feed; changing from cooked to raw feed; and the use of direct-line breeding and intensive preventive injections instead of "random management." The swine-breeding service system in Sichuan is better established, and all levels of the financial sector strongly support the development of the swine-breeding industry. This

year the provincial finance bureau has spent 1.5 million yuan to purchase lean meat breeding stock such as Landrace, Duroc, and Hampshire swine. Between 1983 and 1985, the provincial finance bureau has invested 11.5 million yuan in the feed industry. It is predicted that production of mixed feed will reach 3 billion jin this year, and the material foundation for scientific swine breeding is much stronger.

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BRIEFS

SICHUAN TEA EXPORTS THRIVING--Sichuan tea exports are thriving. As of 20 October, this year's tea exports are already close to equalling all of last year's and earnings have already surpassed last year's. As it is now the high season for tea exports, it is calculated that this year's earnings will exceed last year's total earnings by around 50 percent. Under the guidance of the open door policy, the volume of tea exports from Sichuan has been growing yearly. Sichuan tea exports are now more than 20-fold that of 1980. The areas being sold to have grown to 10 nations including the United States, England, France and the FRG. Sichuan is the nation's most important producer of tea. Tea plantations now cover an area of 1.7 million mu, an area 740 percent greater than in 1950, and output is 620 percent greater. In the 6 years since the 3d Plenum of the 11th CPC Central Committee, tea output has increased by nearly 400,000 dan, which is equal to the total growth in the 30 years after the establishment of the People's Republic. The income of tea farmers in the last 6 years increased by almost 100 million yuan over the previous 6 years, thus allowing the government to collect 20 million more yuan in taxes. At the same time that more tea was being planted, the relevant departments actively improved methods of tea picking, promoted new processing technologies, and greatly upgraded quality. In 1985, Sichuan's black tea, Bamboo Leaf green tea and Emei Mountain raw green tea were judged to be high quality products at the 24th World Food Fair. The teas won three gold medals and superior quality certificates. [Text] [Chengdu SICHUAN RIBAO in Chinese 7 Nov 85 p 1] 13030/12795

PORK CONSUMPTION RECORD SET--The Sichuan Food Corp. revealed that according to the statistics bureau, Sichuan's annual per capita consumption of pork reached 35 jin, double the 18 jin consumed in 1978. This is by far the highest consumption level attained since liberation and much higher than any other province. It is estimated that this year average per capita consumption will surpass 40 jin. Last year the per capita consumption of pork nationwide was 26 jin, 7 liang, while Sichuan set a national record at 35 jin per capita. Furthermore, city and town dwellers in Sichuan last year on the average consumed 55 jin, 8 liang, which was also highest in the nation. After relaxing price controls on pork this year, pork production went up again and both urban and rural markets were well supplied. The price of meat rose less in Sichuan than anywhere else in China. After instituting measures in Sichuan to keep the rise in the selling price below the rise in the procurement price,

hog farmers earned nearly 300 million more yuan this year than last year and the price of pork remained stable. Consumers also benefited and this year another significant increase in consumption is expected. [Text] [Chengdu SICHUAN RIBAO in Chinese 10 Nov 85 p 1] 13030/12795

QUALITY TOBACCO RAISED--Sichuan tobacco (flue-cured, white ribbed [4101 5132] and sun dried) had a bumper harvest this year. As of the end of October, sales of flue-cured tobacco reached the 1-million-dan barrier, an all-time high. This year the main tobacco growing regions of Sichuan diligently carried out the provincial CPC "Directive" regarding the reorganization of the rural production structure in mountainous regions, the economic revitalization of impoverished areas, and the reorganization of the tobacco industry. Based on appropriate principle of centralism, the Jinshajiang area of Liangshan, the Penzhou mountain region of Yibin, and the Chuanhu Highway area of Fuling have been classified crucial tobacco regions. The production of superior tobacco in Liangshan, Yibin and Fuling prefectures grew significantly this year. Procurements of flue-cured tobacco increased provincewide and planned quotas were surpassed. National planned procurements of white ribbed tobacco were also fulfilled for the entire year; sun-dried tobacco procurements also grew significantly over last year. Tobacco plantations in the 48 principle tobacco-producing counties of Sichuan actively pushed for the standardization of tobacco cultivation techniques as a means to increase output and upgrade quality. Of Liangshan and Fuling prefectures tobacco, more than 70 percent is classified top- and medium-grade tobacco. As to Sichuan tobacco in general, 2 years ago only 43 percent was classified top and medium grade; this year 65 percent was classified as such, bringing it close to national levels. [Text] [Chengdu SICHUAN RIBAO in Chinese 19 Nov 85 p 1] 13030/12795

SICHUAN AQUATIC PRODUCTS INCREASING--Sichuan aquatic products have begun to grow steadily this year and the output of mature fish is steadily rising. From January through September the gross output of mature fish was 17.6 million jin, an increase of more than 50 million jin [as published] over the same period last year, an increase of 41 percent. Rural and city dwellers were furnished with many more fish products. The reasons for the rapid growth in aquatic products this year are: First, state enterprise and reservoir fisheries have gradually instituted an output-related responsibility system and have shifted fishery and farm labor toward more active fish raising. Second, capital has been raised, resources developed, and development of commercial fish products accelerated. Third, fish-breeding and fish-raising techniques have advanced. Also, much effort has been geared toward raising fish in rice paddies and by farm households. This has contributed to the increase in total output of mature fish. Fourth, government management of the fishing industry has been strengthened so as to maintain orderly production and promote its development. Fifth, price controls have been relaxed and markets have opened up, resulting in far more fish products in urban markets. [Text] [Beijing ZHONGGUO CUNZHEN BAIYE XINXIBAO in Chinese 18 Nov 85 p 1] 13030/12795

FOREST RESOURCE SURVEY--During the past 3 years Sichuan has begun a secondary survey of forest resources in major forest areas. We have now completed one-third of the survey. The secondary survey of forest resources involves a detailed survey of counties where forest industries are important, the Forest Enterprise Bureau, and state-run tree farms. This survey will provide the clear understanding of natural and management conditions required for the production of a management plan and a foundation for future strengthening of resource management. For the past 3 years more than 3,000 technical personnel and a investigative brigade have been very active in the virgin forests of the northwest Sichuan plateau, mountainous areas surrounding the valley, and the Daba Mountains. The provincial office of forest industries has recently publicized the superior unit and individuals who have contributed to this work. [Text] [Chengdu SICHUAN RIBAO in Chinese 20 Dec 85 p 1] 13015/12790

EXCELLENT TOBACCO PRODUCTION--After continuous increases for several years, there were bumper crops of flue-cured, sun-dried, and white Burley tobaccos again this year in Sichuan. By the first part of December, purchases of flue-cured tobacco in Sichuan had exceeded the yearly plan by 18 percent, an increase of 42 percent over last year. Purchases of white Burley tobacco exceeded the yearly plan by 49 percent, while purchases of sun-dried tobacco increased almost 70 percent over last year. Areas producing "three tobaccos" are mostly poor mountainous areas, and the tobacco harvest stimulates economic development of these mountainous areas. "Three tobacco" production in Sichuan has increased farmers' income by more than 100 million yuan this year and provided almost 50 million yuan in taxes for the state. Flue-cured tobacco alone increased farmers' income by nearly 100 million yuan and created more than 30 million yuan in taxes. This year the quality of flue-cured tobacco improved greatly, and profits also increased. The quality of white Burley tobacco also improved. This year we expect to export nearly 1,000 tons. [Text] [Chengdu SICHUAN RIBAO in Chinese 23 Dec 85 p 1] 13015/12790

CSO: 4007/210

FARM MACHINE MARKET FOR 1986 PROJECTED

Beijing ZHONGGUO NONGJIHUA BAO in Chinese 4 Nov 85 p 7

[Article by Kui Laizhu [1145 0171 2691]: "Prospects for the 1986 Farm Machinery Market in Yunnan"]

[Text] There will be some increases and some declines in 1986 farm machine sales in Yunnan, and the trend will be one of continued, steady, coordinated growth. However, the general trend will decline somewhat from tne 1985 base. The projected decline is 15 to 20 percent, as follows: There will be a fairly large decrease in medium and large tractors and automobiles for farm use. Harvesters will also assume a declining trend due to the overexpansion of tobacco, sugarcane, and other cash crop areas and the reduction in area cultivated in paddy, wheat, and other grains. Processing machinery is beginning to reach the saturation point in regions where conditions are satisfactory. In such relatively prosperous regions as Yuxi Prefecture in south-central Yunnan, dissemination of processing machinery has reached a proportion of 94.6 percent, though there is no way to use it in remote mountain regions that lack electricity. Agricultural drainage and irrigation machinery will not increase either because there has been adequate rainfall and there is plenty of stored water.

In 1986 the products that will be in great demand are as follows: (1) From January to August of 1985 11,000 walking tractors were sold, up 30 percent over the previous year, and 10,000 more have already been ordered for 1986. However, it is primarily Yunnan products that are selling well while goods from outside the province are becoming unmarketable. The market is changing step by step from a seller's market to a buyer's market. (2) There is a steady increase in semimechanical agricultural implements such as handcarts, horse-drawn carts, and so forth. The reason for this is that these relatively low priced commodities suit the current purchasing power of the vast majority of households and are much needed in production and construction. Since the Yunnan government in 1984 adopted the "locally managed, state subsidized" method of overhauling highways and building small power stations, they have needed a great many handcarts--around 100,000 per year. (3) Tractor repair fittings will increase steadily along with main engines. In 1986 we may sell 10 million yuan worth of them.

Characteristics of 1986 farm machine sales and reasons for declines are discussed below:

Sales characteristics of the 1986 farm machine market will be as follows:

1. There will be no change in the tight credit situation in the first half of the year and sales will continue to decline.

2. The corporate system will play an even greater role in major channels and certain enterprises that have multi-channel operations will progressively withdraw from the market.

3. Farm households will have an enhanced selection of farm machinery and the seller's market will become a buyer's market.

4. Through temporary price cutting, supply and marketing enterprises and production enterprises will enter into even more intense competition.

5. After summarizing the experiences and lessons of 1985, all enterprises will pay closer attention to market information and make this the basis for operating policies.

The primary reasons for farm machine sales declines in 1986 are as follows:

1. The tight money market and reduced credit are the major causes. Because Yunnan is situated in a frontier region, one-third of her remote mountain regions are still quite poor. If there is no credit, they are naturally affected.

2. There has been a decline in agricultural production. In 1985 Yunnan was subjected to relatively copious rainfall plus earthquakes, mud and rock slides, and other natural disasters, and over 10 million mu of land was stricken.

3. The direction of rural investment has shifted toward operating businesses and opening hotels, small food shops, industial sidelines, and so forth.

4. Since capital construction was reduced there has been no supply of goods to be transported. In the past, medium and large tractors and handcarts hauled a lot of construction materials, and this has now declined.

5. There are other factors as well, such as the levy of surcharges on vehicle purchases, the excess burden on specialized farm machinery households, fuel shortages, and the unstable quality of some farm machine products.

12510
CSO: 4007/152

FAVORABLE SITUATION IN SILK EXPORTING REPORTED

Hangzhou ZHEJIANG RIBAO in Chinese 2 Oct 85 p 1

[Article by Shen Xilin [3088 6932 2651] and Wu Jingen [0702 6855 2704]: "Pleasing Situation in Export of Silk Products from Zhejiang Province; Total Production of the First 9 Months of 1985 Worth $1.40 Million"]

[Text] The Central Committee's policy of opening up to the outside has strengthened the development of the silk industry in Zhejiang Province. Within the last few years, the value of silk exports has been increasing 19.52 percent annually. By mid-September of 1985, the total value of export within that year has reached US $140 million, an increase from the same period of 1984. The targets of export have also been increasing and they now include more than 60 other countries and regions.

Since implementation of the state's open door policy, the silk industry in Zhejiang Province has also stopped practicing "self-containment." Instead, the industry has been actively engaged in dealing with foreign silk industries, and also expanding their commercial transactions. AS a result, a preliminary network for overseas sales and service has been set up. Within the last few years, the relevant departments have repeatedly invited foreign customers to participate in various trading conferences. In addition, through their commercial negotiations, the various silk companies in Zhejiang Province have also invited business people from Italy, the United States, and Hong Kong to visit the silk factories in Hangzhou and Huzhou, to achieve greater mutual understanding by direct contact. At the same time, during the visit to China of some of the business people, agreements have been made for their counterports in the Zhejiang silk industries to visit and inspect advanced production methods and equipment of silk industries abroad. In addition, personnel from the foreign trade departments would also be going abroad to both negotiate commercial dealings and to obtain information regarding silk industries internationally. All these represent efforts to create new markets in addition to the old stable ones. After the Autumn Canton Trade Fair of 1984, the Zhejiang Joint Silk Co. set up commercial dealings with the Xinye, Yibi and many other Hong Kong companies. Thus far in 1985, the Zhejiang Joint Silk Co. has already been opened up commercial channels with customers in 63 other countries and regions.

The Zhejiang Joint Silk Co. has utilized their foreign currency and advanced technology to modernize the old industry, promote the innovation of new products and thereby increase the industry's ability to create foreign exchange income.

By September 1985, the number of new silk and satin products from Zhejiang industries reached over 100, and more than 10,000 new designs have also been created. In addition, the exported silk has also changed in nature from being primary raw materials to finished products, thereby increasing the strength of silk products from Zhejiang Province in their competition with other silk products on the international market.

12740/7051
CSO: 4007/54

ZHEJIANG

AFFORESTATION ON CULTIVATED SLOPES PROCEEDING

Hangzhou ZHEJIANG RIBAO in Chinese 2 Oct 85 p 1

[Article by Guo Fu [0948 1381] and Guan Sheng [7070 5110]: "A Total of 380,000 Mu of Cultivated Slopes Throughout Zhejiang Afforested"]

[Text] A schedule of afforestation has been determined after investigations were made in the extensive hilly regions of Zhejiang Province. Both the acreage involved and the state of cultivation of the slopes were studied before cultivation stoppage was planned. According to these statistics, there are altogether 2.1 million mu of cultivated land in Zhejiang Province with slopes of more than 25 degrees. It has been decided that cultivation on 130,000 mu of this total acreage of cultivated slopes should be stopped within the next 3 to 4 years. By the first half of 1985, this has already been carried out on 380,000 mu of the cultivated slopes.

In their consideration of cultivation stoppage and afforestation, many of the areas have coordinated the duration involved with economic benefit and production effect. At the same time, attention is also being paid to the growth speed of the various tree species that are to be planted in afforestation. In the process of planting timber forests, care has also been made in choosing most effectively with regard to the specific soil type involved, forests of high economic benefit, trees that best serve conservation purposes, and trees that will yield fruit or medicine. In the Taizhou area, 400,000 mu were afforested during the spring of 1985. Of this total acreage, 190,000 mu have been planted with newly developed high-yield species, such as oranges and tangarines, strawberries, loquats, peaches, pears and four-season bamboo. Some 90,000 mu of this afforestation that has been done for economic benefit was on slopes formerly under cultivation. Around the Xin'an reservoir in Chun'an County, cultivation on 17,000 mu was stopped and in its place, such trees that benefit soil conservation as fur, pine, cork tree, and sassafras have been planted in addition to oranges, tangerines, and loquats.

In their work of cultivation stoppage and afforestation, many of the regions have effectively given assistance to the people in solving problems of finance and grains, thereby accelerating the task of much needed afforesting of cultivated slopes.

12740/7051
CSO: 4007/54

INCREASE IN TOTAL ACREAGE OF FISH-BREEDING REPORTED

Hangzhou ZHEJIANG RIBAO in Chinese 30 Sep 85 p 1

[Article by Li Liang [2621 5328]: "Fish-Breeding in Both Ponds and Rice Paddies Results in Total Acreage Increase in Zhejiang Province of More Than 240,000 Mu"]

[Text] During 1985, the making of more fishponds and the new practice of breeding fish in rice paddies have resulted in the increase of fish-breeding acreage by 246,000 mu. The total acreage involved in fresh water fish-breeding now amounts to 700,000 mu. During the first half of 1985, the production of freshwater fish in Zhejiang Province reached more than 657,000 dan, an increase by more than 26 percent when compared with the same period in 1984.

Farmers have increased their activities of making fishponds in the general wish to both produce and manage for themselves. Fishponds have, therefore, been created in low-lying terrain, out-of-use canals, and abandoned beaches. Thus, farmers have been able to both make their ponds and investment in their own business during the same year. In addition, the departments that handle aquatic products throughout the various regions have also been providing good, meticulous services--to the great satisfaction of farmers. During the period from winter 1984 to spring 1985, 66,000 mu of basic ponds for breeding freshwater fish were made. In addition, various other types of fishponds that were made by the people themselves amounted to another 30,000 mu. As a result, during 1985 in the whole province, total fish-breeding area increased by more than 349,000 mu.

In Zhejiang Province, breeding fish in rice paddies is already being practiced by 200,000 farmer households, involving a total of around 350,000 mu. Altogether more than 240 million fingerlings have been used. Among these, more than 120 million belonged to the Xiahua variety with other species amounting to more than 3 million. In the Jinqu basin where there is a greater abundance of grains, the farmers rotate rice cultivation on fish breeding. In the Ningbo area, the practice of joining ponds with rice paddies is carried out in order to increase the density of the fish in the breeding area. In the villages around Jiaxing, the rice paddies, which form the primary breeding ground for fish, are supplemented by inland ponds that abound in this area. In Jiashan County, there are 4 "10,000-dan villages" where freshwater fish are bred, and 19 "1,000-dan villages."

12740/7051
CSO: 4007/54

BRIEFS

LEAN SWINE CENTERS--At the moment, stock centers for the four major species of lean swine in the world have been set up in Zhejiang Province. These four major species are: the Landrace variety originally from Denmark, both the Duroc and Hampshire from the United States and the Yorkshire from England. Apart from the stock centers in Hangzhou and Jinhua County that were set up in 1964 and 1983, respectively, the two others were set up during 1985. Among these stock centers, there are about 560 stock sows whose annual production is about 8,000. In addition to satisfying the demand in Zhejiang Province, 5,000 to 6,000 head of stock swine are sent to other provinces, thereby facilitating the development of lean pork products throughout the country. Beginning in 1983, new breeding had also begun to be practiced in Zhejiang Province. By 1985, the 23 counties that had started this practice had grown to 50, and new stock swine reached 1,500 in number. The landrace variety that provides either the swine or the sow has been used to produce 2 or 3 hybrides. As a result, the leanness in the meat produced has increased by about 50 percent. [Text] [Hangzhou ZHEJIANG RIBAO in Chinese 30 Sep 85 p 2] 12740/7051

MARINE AQUACULTURE DEVELOPMENTS--During 1985, there have been new developments in aquaculture production within the coastal fishing grounds along Zhejiang Province. As a result, in the first half of 1985, total marine aquaculture production reached 1,010,000 dan, an increase of 33.4 percent over the same period in 1984. The estimate for the annual total production of 1985 is more than 1.9 million dan, an increase of 25 percent over 1984. In addition, other favorable conditions have also developed in both the processing and sale of these marine aquaculture products, as seen in the emergence of multichannel and multilayer mangement. The joint company that was started in Sanmenwan has already packaged 100 tons of razor clams with shells. This product, sold mainly in the northeastern urban markets, has been very popular with consumers. Tongtou County has been actively developing their laver production in small-packaged processing and has opened a number of sales channels, wherein individual purchasing and marketing households and small peddlers account for 55 percent of sales. [Text] [Hangzhou ZHEJIANG RIBAO in Chinese 1 Oct 85 p 1] 12740/7051

CSO: 4007/54

SELECTION STUDY OF OPTIMUM TEMPORAL REMOTE SENSING IMAGES FOR VEGETATION RESOURCES INVENTORY

Beijing ZHIWU XUEBAO [ACTA BOTANICA SINICA] in Chinese No 5, 85 p 531

[English abstract of article by Zou Shanghui [6760 1424 6540] of Central China Teacher's College, Geography Department]

[Text] Vegetation remote sensing data from sensor change with phenology and sun altitude angles. Therefore, the optimum temporal images must be selected from different periods for vegetation studies. The season of the greatest vegetation reflection difference in the visible and near-infrared regions is the optimum time for vegetation classification studies.

The results indicate that the absolute difference and relative difference of plant species in reflection are greatest in spring and early summer. Then the greatest number of crop types can be identified in the images. The autumn images are most suitable for identifying deciduous leaf vegetation, for the leaf pigments of all kinds appear at that time. Vegetation reflection in MSS_5 and MSS_7 decrease with the decrease in the altitude angles of the sun. Therefore, appropriate images of the sun altitude angles must be selected for the study of vegetation.

The author concludes that the optimum temporal images of remote sensing for vegetation studies in Hubei Province or the north tropics are those taken in April, May, and November.

Keywords Plant spectral curve; plant phenological change; optimum temporal images; color infrared aerial photographs

CSO: 4011/18

DISTRIBUTION OF SEWAGE IRRIGATION IN CHINA, ANALYSIS OF FORMATION

Beijing DILI YANJIU [GEOGRAPHICAL RESEARCH] in Chinese No 3, Sep 85 p 46

[English abstract of article by Xia Zenglu [1115 1073 4389] and Li Senzhao [2621 2773 3564] of the Institute of Geography, Academia Sinica]

[Text] China is divided into three typal sewage irrigation realms on the basis of comprehensive natural conditions and characteristics of sewage irrigation. Geographical differentiation of sewage irrigation in China and its cause of formation are emphatically studied. Geographical distribution of sewage irrigation in China is as follows:

	Division/Region	Area of sewage irrigation (10,000 mu)	Percentage of area
I	Arid farming division, northern China	1142.71	86.56
I-1	Cold and humid region of Northeast China	68.53	5.19
I-2	Warm and subhumid region of North China	1074.19	81.36
II	Paddy field division, southern China	138.74	10.51
II-1	Humid and warm region of Central China	112.81	8.55
II-2	Humid and hot region of South China	25.93	1.96
III	Arid division, Northeast China	38.76	2.94
III-1	Sub-arid region north of the Great Wall	24.40	1.85

III-2	Arid region, Northwest China	14.36	1.09
IV	Qinghai-Xizang frigid plateau	sporadic	trace
IV-1	Sichuan-Xizang alpine and river valley region	sporadic	trace
IV-2	Chiangtang Plateau region	0	0

The numerical value of the three factors influencing the distribution of sewage irrigation has been analyzed and their coefficients of weight determined. The general index of sewage irrigation distribution of the various regions was calculated. The conclusion is that water and fertilizer is the leading factor of distribution, followed by cultivated area and population.

CSO: 4011/5

SATELLITE RNA AS BIOLOGICAL CONTROL AGENT OF CUCUMBER MOSAIC VIRUS

Tianjin ZHIWU BINGLI XUEBAO [ACTA PHYTOPATHOLOGICA SINICA] in Chinese No 3, Sep 85 p 149

[English abstract of article by Tian Wenhui [3944 2429 2585] et al of Hebei Agricultural University Department of Plant Protection, and Zhang Xiuhua [1728 4423 5478] et al of Institute of Microbiology, Academia Sinica]

[Text] The effect of satellite RNA on host range, symptom, and aphide transmission of CMV and CMV-S51 (containing satellite RNA) were studied. The host range of CMV-S51 was much narrower than CMV. CMV can infect 20 plant species of 6 families, while CMV-S51 can only infect 10 species of 3 families. CMV-S51 was symptomless on the infected plants except pumpkin. CMV caused severe mosaic, fern leaf and necrosis in most of the infected plants. The transmission efficiency of CMV-S51 by Myzus persicae was lower and the incubation period was longer than that for CMV.

CMV-S51 was found to protect pepper plants against the infection of CMV. The optimum interval between CMV-S51 and challenge inoculation was 15 to 20 days in the greenhouse.

CSO: 4011/11

GENETIC STUDY OF ESTERASE ISOENZYME IN RICE-SORGHUM HYBRIDS

Beijing ZUOWU XUEBAO [ACTA AGRONOMICA SINICA] in Chinese No 2, Sep 85 p 180

[English abstract of article by Duan Xiaolan [3008 2556 1526] et al of the Institute of Crop Breeding and Cultivation, Chinese Academy of Agricultural Sciences, Beijing]

[Text] The esterase isoenzyme of the hybrids between rice and sorghum have been analyzed. The zymogram of the esterase isoenzyme in hybrids are essentially the same as those of the female plant (Japanese type). But a No II band in embryo, anther and other organs of hybrids which did not appear in maternal plants was found in sorghum. The segregations of this band could be seen in each generation, but they appeared most frequently in F_2-F_3, decreased in F_4, and stabilized in higher generations. There are seven types of segregations found in F_2-F_5. Experimental results show that the hybrids can obtain the genetic material from sorghum, which results in the phenotype variation of the progenies at the molecular level. This indicates that the heterogenetic DNA obtained by the hybrid undergo a gradual process of exclusion, segregation, and final stabilization in their progenies. The No II band appears again in the succeeding generations of the plants which have lost this band; it also indicates that the phenotype variation has taken place because of the controlling of gene expression, not because of the structure gene.

CSO: 4011/12

DETECTION OF VIROID BY SYNTHETIC PROBE

Shanghai SHENGWUHUAXUE YU SHENGWUWULI XUEBAO [ACTA BOICHEMICA ET BIOPHYSICA SINICA] in Chinese No 4, Jul 85 p 525

[English abstract of article by Yu Dawen [0060 1129 2429] et al of Shanghai Institute of Biochemistry, Academia Sinica, and Yang Xicai [2799 1585 2088] et al of the Institute of Microbiology, Academia Sinica, Beijing]

[Text] This paper reoprts a rapid and sensitive method for detecting viroid by a synthetic probe. The hybridization can be carried out at temperatures ranging from 10 to 42 degrees C and its sensitivity reaches to about 50 picograms. With this method, several samples can be detected at the same time. The synthetic probe d-TCCACCGGGTAGT, fully complementary to a common sequence present in PSTV, CSV, and CEV, was synthesized by the solid phase phosphite triester method and confirmed by sequence analysis.

CSO: 4011/7

SEPARATION, PURIFICATION OF HEMOLYTIC TOXIN FROM OXYTROPIS GLABRA DC

Shanghai SHENGWUHUAXUE YU SHENGWUWULI XUEBAO [ACTA BIOCHEMICA ET BIOPHYSICA SINICA] in Chinese No 4, Jul 85 p 500

[English abstract of article by Yu Meihui [0827 2734 6540] etal of Xinjiang August First College of Agriculture, and Liang Duo [4731 6995] of Yuli County, Xinjiang]

[Text] A toxic protein with hemolytic properties has been separated and purified from the seeds of Oxytropis glabra DC by means of ammonium sulfate fractionation, DEAE-cellulose ion-exchange chromatography, and sephadex G-50 gel filtration. Crystals, the largest of which measures 2.5 x 2.5 mm, have been obtained. Using the method of Baman and Hurtado, this toxin may be considered to be a phospholipase. Its HU_{50} is 0.403 mg/ml.

The purified toxin upon injection to rabbits through the ear vein (1 mg/kg) caused the temperature to drop from 38.5 degrees C to 28 degrees C, and the number of red cells dropped 75 percent within 2 hours. The rabbits recovered after 24 hours. The toxic activity can be destroyed by trypsin or high temperature (100 degreees C).

The molecular weight of this protein is 27,400, with 217 amino acid residues.

CSO: 4011/7

STUDIES ON ENZOOTIC BOVINE LEUKOSIS VIRUS ISOLATION, IDENTIFICATION

Tianjin XUMU SHOUYI XUEBAO [ACTA VETERINARIA ET ZOOTECHNICA SINICA] in Chinese No 4, Nov 85 p 255

[English abstract of article by Ma Guangfu [7456 1639 4395] et al of Harbin Veterinary Research Institute, Chinese Academy of Agricultural Sciences, Harbin]

[Text] Bovine leukosis virus was isolated from a sample of the infected cattle. C-type virus particles were detected at the first passage of the leukocytic cell culture and at the second and fourth passages of monolayer cell cultures by electron microscopy. Its morphology and structure resembled typically what foreigners have reported.

The antigen prepared with the isolated virus was identified and compared with the American and Japanese antigens, and the results were identical.

Fourteen of the 16 sheep inoculated with the same infected sample used for the isolated virus showed positive reactions in the AGJD tests. C-type virus particles were detected in 6 of 10 leucocytic cell cultures. Most of the experimental sheep died and showed typically leukemia lesions.

As a result of our experimental work, we successfully isolated the bovine leukosis virus.

CSO: 4011/21

STUDIES ON ELISA FOR SCHISTOSOMA JAPONICA INFECTIONS IN CATTLE, BUFFALOES

Tianjin XUMU SHOUYI XUEBAO [ACTA VETERINARIA ET ZOOTECHNICA SINICA] in Chinese No 4, Nov 85 pp 250-251

[English abstract of article by Shen Jie [3088 2638] et al of the Shanghai Institute of Animal Schistosomiasis, Chinese Academy of Agricultural Sciences, and Zhou Qingtang [0719 1987 1016] et al of Hunan Agricultural College]

[Text] Enzyme-linked immunosorbent assay (ELISA) has been developed for the detection of Schistosoma japonica infections in cattle and buffaloes; 707 schistosome-free animals and animals infected with S.japonica were tested. The test has been found to have high sensitivity and specificity: 97.5 to 97.7 percent of S.japonica-infected animals were positive, and 97.2 to 98.5 percent of schistosome-free animals were negative. Eighty of 81 cattle infected with Fasciola, Paramphistomum, Orientobilharzia, and Echinococcus were negative; only one infected with Fasciola was positive. The test conducted in the endemic area also gave good result. The ELISA is not technically difficult to perform and is capable of handling a large number of samples.

CSO: 4011/21 END

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China Report

AGRICULTURE

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RATIONAL DEVELOPMENT OF FOREST RESOURCES URGED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 11, Nov 85 pp 34-36

[Article by Wang Mingshui [3769 2494 3055] of the General Office, Administrative Section, Ministry of Forestry: "Rational Use and Development of China's Forest Resources"]

[Text] Developed forestry is one of the signs of a rich nation, prosperous people, and civilized society. Protecting and developing forests is an important safeguard in the quadrupling of China's total output value in industry and agriculture by the end of this centruy; this task of lasting significance affects management of China's land and creation of happiness for posterity. It is especially important to rationally manage, use, and develop China's forest resources, developing them in step with the development of the national economy so that there is coordinated progress.

China has excellent natural conditions, many varieties of trees, and a large potential. Mountains, hills, and high plains account for 70 percent of China's land, and most of that is suited to growing trees. The variety of trees is extremely abundant; for woody plants alone, there are more than 5,000 kinds, including more than 2,000 trees, and there are many kinds of trees of relatively high economic value. There are more than 400 million mu of artificially planted forests in China, roughly more than one-quarter of the 1.5 billion mu of artificialy planted forests in the world. But there are problems currently in the use and development of forest resources. For example, the national forest cover rate has dropped from 12.7 percent at the time of the Fourth 5-year Plan to 12 percent. The per capita forest area and forest reserves are one-eighth and one-seventh, respectively, of the world average. Every year the forest depletion is greater than the amount of growth. The forest structure is irrational: there is a high proportion of timber forests and a low proportion of shelterbelts, firewood and charcoal forests, commercial forests, and special-use forests. Forest land production forces and per-unit area yields are low, and so on.

Sparse forest and vegetative cover brings a whole set of problems: the desertified area in China in the past 30 years has grown 90 million mu, more than 1 million square km have suffered soil erosion, every year about 5 billion tons of soil are eroded, and the amounts of nitrogen, phosphorus and

potassium washed away are the equivalent of 40 to 50 million tons of chemical fertilizers. There is a severe shortage of firewood in the countryside; every year more than 500 billion jin of straw and 100 million tons of firewood are burned; the nitrogen contained therein is equivalent to China's annual output of nitrogen fertilizer. In order to meet the needs f China's economic development, we should rationally manage and use and continually develop forest resources.

I. Cultivate and Expand Forest Resources, Improve the Forest Land-Use Rate

1. Relying on the strength of 800 million peasants and society to change the face of the forests, China has 1.2 billion mu of barren mountains and slopes suitable for forests, and there are still large areas of the "four besides" coastline, and unoccupied spaces that still have not been forested. We should implement the tree-planting and reforestation plan that brings progress to the state, the collective, and the individual, and strengthen guidance of forestry speciality households and key households. At present, in China's countryside the area of private-use mountain areas [ziliushan 5261 3966 1472] has grown from 250 million mu to 400 million mu, and the number of forestry specialty households and key households is 4 million. The responsibility system is used locally to raise seedlings and reforest; the speed has been fast, the quality high, and the economic results good. In 1984, 120 million trees were voluntarily planted in cities; adding on annually voluntary tree planting of 3 trees per person, that is more than 1 billion treess nationwide. By the end of this century, the area for just voluntary planted trees could reach more than 100 million mu. At the same time, we should still encourage and assist departments and enterprises using a fair amount of timber to plant forests for their own use.

2. Vigorously plant quick-growing, high-yield forests and establish new commodity timber bases. Systematic planting of quick-growing, high-yield forests began as early as the 1950's. For example, the chest-high diameter of 15-year-old fir trees in Huitong, Hunan is 20 cm and each year the reserve grows 2 cubic meters. In Jinping, Guizhou, the reserve amount per mu of 8-year-old fir trees is 15 cubic meters. In 100 mu of poplar forest in Yanbei, Shanxi, a semiarid area, the annual growth in the chest-high diameter is 2.8 cm. The annual growth in the chest-high diameter among the fast-growing larch forests in the Mudan forest region, Heilongjiang, is 2 cm. Predictions of national development needs show that by the end of this century reserves must supply 100 million cubic meters of timber; we should primarily rely on fast-growing semiproduction forests to meet this need. Every year we need to plant 3 million mu of high-yield forests. By the end of this century, new high-yield forest bases will be able to provide 30 million cubic meters of timber.

3. Practice forest conservation. Since the founding of the country the areas of closed-off forests has reached more than 300 million mu and there are still 200 million mu suited to being closed off. Forest conservation is easily practiced and saves both money and labor. This is especially so in the 11

southern provinces and autonomous regions, where there is ample rain and moderate climate, a long frost-free period and rapid tree growth; here the results of forest conservation are even better.

4. Aerial reforestation. Since aerial seeding of forests began in China at the end of the 1950's, 200 million mu of forests have been seeded from the air; of the 70 mu in which this was effecitve, 50 million mu have become forests. China currently has about 400 million mu in mountainous and sparsely populated border areas suited to aerial reforestation.

5. Develop firewood and charcoal forests and supply fuel for rural daily use. Of China's 173 million rural households, more than 80 million households are short of firewood for more than 3 months and almost 40 million households are short of firewood less than 3 months; the fuel problem is extremely important. Many rural households burn straw, dig up grass roots, burn animal dung, or even think nothing of destroying forests. Planting firewood and charcoal forests to solve the rural household fuel problem is the most realistic and effective way of developing biological sources of energy. Developing firewood and charcoal forests shuld be regarded as one of the effective measures to protect forests and should be given the utmost consideration. Everywhere there are tree species suited for rapidly growing firewood and charcoal forests; one planting will bring many years of benefits. Peasants can develop firewood and charcoal forests according to need in the 400 million mu zoned as private-use mountain areas; this would both solve the fuel problem and increase the sideline production options, as well as providing timber.

II. Rationally Manage and Use Current Forest Resources

1. Strengthen the thinning in middle-age and young forests. China has about 1 billion mu of middle-age and young forests, whose biological output is very low. This includes 400 million mu in urgent need of thinning. At present, only about 6 million mu can be tended to annually; at this rate, it would take almost 100 years to go around once. In some of the countries advanced in forestry, wood cut in thinning production accounts for a very large proportion of total timber output, usually 40 to 70 percent, but in China it still has not reached 5 percent. It has been calculated that if we take 100 million mu as our unit and 10 years as the interval, thinning can increase the amount of growth by more than 17 million cubic meters while not thinning means loss of the same amount; the grain and the loss together are more than 34 millin cubic meters; at the same time thinning can produce 64 million cubic meters of commodity timber, but not thinning causes a loss to the forest of more than 40 million cubic meters. Therefore, accelerating the thinning of middle-age and young forests is of great significance to the promotion of forest growth, increase income and supply of commodity timber.

2. Strengthen development of the legal system and implement governing forests through law. Since the founding of the country, China's forests have suffered three instances of large-scale damage: the year 1958, "the 10 years of chaos," and the past few yers. Due to the inadequacy of a series of policies and forest-protection measures, almost everywhere in the nation there have been a series of incidents involving uncontrolled and excessive cutting, so

that forest resources have again met with damage. This year, with the timber in collective forest areas being made available, in some areas there has been recurring timber theft. We should persist in implementing the "Forest Law," perfect for the forest legal system, guarantee the proper rights and interests of forest owners and managers, and take advantage of the positive role of the forest-protection pledge and pacts oetween townships and the people; seriously implement the forest-production responsibility system, as quickly as possible adjudicate the host of long-standing and difficult conflicts concerning mountain forest rights and ownership; correctly threat and truly solve the problem of providing the firewood needed by the masses for production and daily life; strengthen ideological and organization work among the forest public security ranks, improve their political and professional quality, and meet the needs of law enforcement.

3. Strictly control the amount of logging and keep "one account book" for timber-production plans. The long period of excessive logging has damaged the benevolent cycle of forestry resource reproduction; available resources have been dramatically reduced. Some enterprises have been forced to shut down because their resources are exhausted. According to statistics from 61 forest bureaus in Heilongjiang's Daxing'anling and Yaguangshi forests, comparison of resource investigations, from the Fourth 5-year Plan and from the founding of the bureaus, show that the forest-cover rate dropped from 67.3 to 62.7 percent, a drop of 4.6 percent; the forested area was reduced by 820,000 hectares, a fall of 6 percent; standing reserves fell by 340 million cubic metes, a loss of 19.1 percent. At present, among 131 state-run forest bureaus, there has been serious overcutting of available resources in 61 bureaus and the resources have been exhausted in 25 bureaus. If this situation continues, 50 of the present 82 forestry bureaus in the northeast and Nei Monggol forests will have run out of available resources within 15 years. Strict control of forest resources and elimination of forest deficits will require first of all determined implementation of the "Forest Law" rule stating that "the amount of consumption in commercial timber forests must be lower than the amount of growth," step-by-step determination of annual cutting limits and implementation of "one account book" in national timber-production plans. The next step is to regulate the distribution of logging, strengthen the development of new forest regions, lower annual logging in old forests and allow old forests to rejuvenate and gradually recover their vitality.

4. Develop comprehensive uses and improve the utilization rate of the "three leftovers" from timber. According to the figures for timber production in the national plan, every year 15 million cubic meters of "three leftover" matter can be supplied for use; this could be used to produce 6 to 7 million cubic metes of artifical boards, which could be used in place of 20 million cubic meters of timber. At present, aside from 5 million cubic meters of wood that is burned, only about 10 percent of the rest is used and 90 percent is simply wasted. Beginning with changing the product mix, improve the economic results of the final product to the greatest possible extent and ameliorate the supply and demand problems; these are the basic conditions for developing comprehensive use of timber. The pieces of wood, artifical board, and some of the completed and semicompleted products producted through comprehensive use

of the "three leftovers" should be included in the national timber-production, distribution, and transport and marketing plan, replacing the equivalent quantity of logs. The state should increase the share of forestry investment devoted to comprehensive use, improve the degree of technical equipment, improve the competitive ability of products, rationally adjust the processing arrangment, and develop processing enterprises using "three leftovers" as raw materials at the same pace as logging and transport.

5. Fully use forest resources and vigorously develop a diverse economy. China's forest have abundant natural resources and excellent conditions for developing diversified production. According to incomplete statstics, China's animals account for 12 percent of all the animals in the world and birds account for 14 percent of the world total; more than 40,000 kinds of true fungi have been identified, of which China uses more than 1,500 as food and medicine, more than 200 being in common use; forests have large surfaces of water and waterpower resources which can be used to generate electricty. Just in the forests of the northeast and Nei Monggol there are 370,000 hectares of forest grasslands and 350, 000 hectars of water suited to the development of animal husbandry and aquaculture. The forest natural scenery is varies and beautiful, ideal conditions for the development of tourism. In the 4,065 state-run tree farms, there are more than 100 famous historical sites. In the past few years, many enterprises in the northeast and Nei Nonggol forests have vigorously developed diversified production, achieving encouraging results. The output value from diversified production in all forests in 1980 was 450 million yuan, which increased to 1.06 billion yuan in 1984, 2.3 times that of 1980 and equal to 36 percent of the total output value from forest industry in all forests. In Heilongjiang alone, there are nine forest bureaus whose diversified production output value accounts for one-third of the enterprises's total output value, and seven forest bureaus which have exceeded 10 million yuan. Therefore, we should stress starting diversified production as an important strategic measure to develop forestry and tap its potential.

6. Work hard to control natural damage to forests. In 1983, 6.6 million mu of China's forests were damaged by fire, equivalent to one-third of the area preserved each year in forestation; 110 million mu of forest have been afflicted by disease and insect pests; the annual loss of forest growth nationwide from just the pine moth is 3 to 4 million cubic meters, which is a very considerable figure. In addition to strengthening fire-fighting forces among the masses and forest management, preventng forest fires requires building a number of forest lookout towers, improving communications, employing remote-sensory technology and computerized alarms, using airplanes to fight fires, and other modern technology to equip the forest fire-fighting ranks. As for preventing disease and insect damage, we should strive to develop scientific research, strengthen preliminary estimates and predictions, rely primarily on biological measures, supplemented by chemicals, and carry out mass prevention and mass control. Even more important is quarantine and sterilization of stock seedlings, vigorously planting mixed stands, and promoting the multiplication of many natural enemies of disease and insect pests, thus getting at the root of disease and insect damage.

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'SANBEI' SHELTERBELT PROJECT TO BEGIN SECOND PHASE

OW141414 Beijing XINHUA Domestic Service in Chinese 0213 GMT 14 Mar 86

[Article by reporter Wan Manlun]

[Excerpt] Yinchuan, 14 Mar (XINHUA)--This reporter has learned from the "Sanbei" [three norths] Shelterbelt Construction Bureau under the Ministry of Forestry that the State Council has officially approved the start of the second phase of the "Sanbei" shelterbelt network project this year.

The first phase of the "Sanbei" shelterbelt network project began in 1978. After 8 years of hard work, we afforested, as of the end of 1985, 90.93 million mu, overfulfilling the planned quotas. The newly afforested areas, in addition to the forests already in existence, are beginning to bring about a beneficial agricultural environment in one-third of the counties in the "Sanbei" area. Treebelts have been built around farmland totaling 120 million mu. Soil erosion and shifting of sand dunes in some areas have been brought under control in varying degrees. About 50 percent of peasant households which lacked firewood have had their difficulties alleviated. By the time the first phase is completed, the percentage of forest-covered land will increase from 4 percent in 1977 to 5.9 percent.

The State Council has timely decided that the second phase of the "Sanbei" shelterbelt network project be started when the first phase is completed. The scope of the second phase is even bigger than the first. The plan covers 466 counties (banners) in 12 provinces, autonomous regions, and municipalities including Xinjiang, Qinghai, Gansu, Ningxia, Shaanxi, Nei Monggol, Shanxi, Hebei, Beijing, Liaoning, Jilin, and Heilongjiang, 70 counties (banners) more than in the first phase of the project. The total area involved is 5.92 billion mu. The plan calls for afforesting 95.5 million mu (including 50 million to be completed during the seventh 5-year plan) and for creating another 25 million mu of forests and grasslands by afforesting mountainous areas and carrying out aerial seeding over a period of about 10 years beginning from 1986. When the second phase is completed, the percentage of forest-covered land in the "Snabei" area will increase from 5.9 percent at the end of the fi-st phase to 7.7 percent, some 50 counties (banners) will have achieved their greening targets; treebelts will have been built around 260 million mu of farmland; soil erosion in one-third of the loess plateau area will have been checked; and the landscape around Beijing, along the Beijing-Baotou and Baotou-Lanzhou railways, and along the middle reaches of the Huang He will have markedly changed.

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AGRICULTURAL SCIENCE, TECHNOLOGY BLOSSOMS

Beijing JINGJI RIBAO in Chinese 16 Dec 85 p 4

[Article by Xin Jaiquan [0207 6621 6112]: "Modern Science and Technology Is Blossoming"]

[Text] Agricultural science and technology is an untapped production force. Strengthening agricultural science and technology is of great significance in the realization of agricultural modernization.

According to statistics, from 1929 until 1972, the 81-percent increase in value of agricultural production in America and the 71-percent increase in labor productivity were both due to the promotion of agricultural science and technology. In France, every franc spent on agricultural scientific research brings 100 francs of increased output value for agricultural departments. In the past 30 years, Japan's recovery and development has been rapid, and one of the reasons is that it particularly stresses the promotion and application of agricultural science and technology.

Since liberation, agricultural science and technology in China has developed greatly. At the 1978 National Science Congress, various localities recommended 3,137 scientific and technical achievements in farming, forestry, animal husbandry, and fisheries, of which there were 381 major scientific and technical achievements which received awards and more than 20 which approached or reached the advanced world standard. Since the 3d Plenum of the 11th CPC Central Committee, Chinese agricultural science and technology has again made a number of new achievements. According to preliminary statistics, there have been 41 recipients of the national invention prize, 2 recipients of the national natural science prize, 733 recipients of departmental technical improvement prizes, and 134 recipients of the national technical extension prize. Among the technical accomplishments that have achieved significant economic results through widespread application in production are: "indica"-type hybrid rice, pollen haploid cultivation, allo-octoploid triticale, integrated management of low-yield soil, integrated prevention of wheat stripe rust, patterns and prediction of army worm migratory flights, and, moving north, large areas of rubber trees. According to estimates from research units, between 1972 and 1980, 27 percent of the total growth in agriculture output value was achieved through alliance on science and technology, an average of 2.35 billion yuan of newly added income for society.

The role of agricultural science and technology in production can be summarized as follows:

I. Application of Genetic Theories Leads to Breakthroughs in Breeding Technology

For a long time, mankind has attached great importance to the selection of improved varieties, but the major breakthroughs in seed selection technology have come from the application of genetic theories. In 1918 American scientists bred hybrid corn; after extension and planting from the 1940's to the 1960's yields increased at the rate of approximately 50 kg per mu every 10 years. In 1982, more than 440 million mu were planted and the average per-mu yield was 480 kg. After corn and sorghum, China developed improved varieties of hybrid rice; since extensive planting on large acreages in 1976, planting was extended to 620 million mu by 1984, increasing the output of rice by more than 30 billion kg.

II. Development of Plant Physiology and Use of Chemical Fertilizers Have Improved Land Utilization Rate

According to the analysis of Alan Stuart of M.I.T. in the United States, from 1966 to 1977 the annual growth rate for chemical fertilizer use in Africa, China, and the rest of Asia was 8.3, 8.9, and 8.7 percent respectively. In the 24 years from 1954 to 1978, the net increase in per-unit rice yields in Japan was 169 kg; since then per-unit yields have for a long time remained steady at more than 400 kg. The main cause of increased yields is the relatively high use of chemical fertilizer, most of which is high concentration compound fertilizer; furthermore, they pay great attention to practicing scientific fertilizer application after making a diagnosis of the soil.

III. Development of Farmland Water Conservancy and Biology Promote Progress in Irrigation and Dry-Land Agriculture Technology

Since the 1960's, there has been very large growth overseas in the use of sprinkler and drip irrigation. According to statistics from the latter part of the 1970's, England uses nothing but sprinkler irrigation; in France and Romania, the sprinkler irrigated area is 85 percent of all irrigated land, and in the United States it is 21 percent. Sprinkler irrigation can use 50 percent less water than surface irrigation and saves 5 to 7 percent on channels. Thus it can still play a role in preserving soil and fertility. Drip irrigation saves even more water than sprinkler irrigation, saving 20 to 50 percent of water usage. The results of increased yields are also very significant.

Because drought is a worldwide problem, dry-land agricultural technology is universally respected. Since the 1960's, American research has introduced low-tillage and no-tillage, and the practice has spread to 430 million mu.

The Soviet Union promotes tillage with moldboardless plows in arid areas; the soil-protection tillage system, consisting mainly of strip cultivation, has also had excellent results.

IV. Development of Plant-Protection Science and Agricultural Chemistry Has Controlled Damage from Disease, Insects, and Weeds

According to estimates, the annual loss to agricultural production from minor cases of disease, insects and weeds is a 10- to 15-percent drop in production, and in serious cases, it is a 40- to 50-percent drop, or even a total loss. China's "combined reform and control" tactics and methods for controlling locusts have reduced the area afflicted by locusts from more than 60 million mu to 14 million mu; from 1956 to 1965 a total of 15 million tons of grain were saved, worth more than 3 billion yuan, which is roughly equal to 33 times the investment. Another example is the integrated prevention tactics formulated in 1965, which made "disease-resistent varieties the main method, and chemical prevention and cultivation measures supplementary." In the past 20 years, wheat rust has basically been brought under control, which each year saves more than 1 million tons of wheat, worth 250 million yuan. Since the 1970's, there has also been further use of biological prevention of disease and insect damage, such as use of trichogramma to control rice leaf roller, corn borer, boll worm, and other pests; the results have been very good.

V. The Growth of Agricultural Mechanization Has raised Labor Productivity

Because economically developed countries have mechanized farming and animal husbandry, planting 1 mu of wheat requires only 0.48 man-hours; corn, 0.97 man hours; and cotton, 5.5 man-hours. Producing 50 kg of pork (gross weight) requires only 1.65 man-hours, and 100 eggs, 0.5 man-hours. China has 245 million horsepower of agricultural machinery power and 841,000 large and medium tractors; the machine-plowed area is 56.5 percent, machine-sowed is 8.3 percent, machine-intertilled is 3.3 percent, and machine-harvested is 3.1 percent. This has played a major role in increasing agricultural production and improving working conditions.

In summary, agricultural modernization increasingly relies upon progress in agricultural science and technology. Looking ahead to the development of world agriculture in the 21st century, China must vigorously strengthen agricultural science and technology in order to catch up with and approach the world advanced level.

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MECHANIZATION SUITED TO SMALL-SCALE OPERATIONS NEEDED

Beijing ZHONGGUO NONGJIHUA BAO in Chinese 11 Nov 85 p 2

[Article by Dong Hanying [5516 3211 5391] of the Agricultural Mechanization Bureau, Ministry of Agriculture, Animal Husbandry, and Fisheries: "Research into Scale of Land Management Should Be Emphasized"]

[Text] Our past investigations into the factors limiting the growth of agricultural mechanization usually started with technology and economics, that is, whether or not the machine was functionally useful, its use economical, its energy source reliable, and whether peasants could afford it. These factors would determine the prospects, scale and speed of growth in mechanization. Very seldom have there been serious explorations into a strategy for developing agricultural mechanization which takes into account production relationships and the small scale of operations typical of agricultural production in the great majority of areas practicing the output-related contract responsibility system. Agricultural mechanization is both a process of improving production forces and a process of continual perfection of production relationship. Investigation from the perspective of production relationship into the limitations and effects of the scale of land managment on the growth of agricultural mechanization could give us a more scientific and thorough understandng of the problems in agricultural mechanization growth under the new conditions.

I. The Relationship Between Land Management and Mechanization

1. Mechanization in Itself is a Product of Expanded Scale of Production. The concentration of agricultural mechanization represents increasing use of tools in production labor and is an important indication of the level of production forces. As humans conquer the natural world, they increasingly feel that physical and mental labor are not enough, so that they continually invest and create more and more advanced machines, thus greatly raising labor productivity. The process of raising labor productivity is the same as the process of expanding the scale of production. Only when the scale of production is expanded will there be a need for mechanized production. This is not hard to understand: when peasants use human and animal power to cultivate small quantities of land at a very leisurely rate and when there

still is not a pressing need for enlarging the scale of land managment, the issue of mechanization does not make it onto the agenda. This is proven by facts.

2. Varying Scales of Production and Land Management Put Objective Demands on Mechanization. It is scientific to install agricultural machinery according to the scale of land management: a big cart needs a big horse, while a small cart needs a small horse. Therefore, the so-called American model (large-scale) and the Japanese model (small-scale) did not just come out of the air but are fundamentally suited to the scale of land management.

3. The Clearest Indication of the Interdependence of the Scale of Land Managment and Mechanization: Results from Economy of Scale. The main way to evaluate the quality of mechanization is to compare the results; it will not do to rashly evaluate it according to the size of machinery. Where the scale of land management is very big but mechanized forces are insufficient or nonexistent, it is very difficult to fully use the production capacity of the land. Those large households which run several hundred mu of land without machinery, relying on hired hands and extensive managment, may obtain an income which is not bad in absolute terms, but the average results per mu will not necessarily be good. The converse, lopsided development of mechanization when the scale of operation is too small, will cause production costs to go up and economic results to fall. Therefore, it simply is not true that the higher level of mechanization, the better. Good results can only be achieved by installing an appropriate amount of machinery on an appropriate scale. This is the sought-after economy of scale. China's experiences over the past few years in agricultural mechanization indicate that 30 to 50 mu of land is the appropriate scale (for a family operation); use of machinery on a scale smaller than this is not economical. Although this conclusion requires more thorough research, the concept of economy of scale has been settled and universally accepted.

II. Basic Estimates of the Scale of Operations on Family Land in China

The scale of family-operated land in China is very uneven. The largest have more than 1,000 mu while small ones have only 2 or 3 mu. But basic conditions in China dicatate that the percentage of peasants managing several hundred mu or more than 1,000 mu of land is very small; the great majority of households have less than 10 mu. This scale is too small for mechanization. In addition, since implementing the responsibility system, large pieces of land in many areas have been divided up. A piece of land run by one family is often divided into several pieces or even more than 10 pieces. This presents a major difficulty to mechanization. If several different crops are raised on the same piece of land, it is even more impossible for mechanization to develop. Therefore, since implementation of the responsibility system, the level of mechanization in many places has dropped, and it cannot be denied that the reduced scale of land managment is an important reason.

In this case, will there be fairly big changes in the near future in the scale of agricultural production land management? The answer is no. This is because: 1) The family economic relationships determined by the

output-related contract responsibility system are vigorous and vital; documents from the Central Committee have already clearly ruied on the long-term stable perfection of the family output-related contract responsibilty system. The policy thus guarantees the protracted nature and stabilty of the household economy. 2) Concentration of land is quite an arduous and time-consuming process. Although concentration of land is inevitable in the development of things, the rate of development will not be very fast. This is because the basic situation in China--many people, little land--will not change in a short period of time. At the same time, to a very large extent it will be determined by elimination of the peasant's love of the land, general improvement in the level of peasant management, improved economic results from cultivating fields, and other subjective and objective factors. But these subjective and objective factors definitely cannot come to be in a short period of time. 3) China's economic development is extremely unbalanced; there may be a 10- or 20-year difference between advanced and backward areas. If we take the level of the currently most developed areas (such as the Chang Jiang delta) to represent China's basic level at the end of this century, this means that half of the rural labor force will still be in the fields; the quantity of rural households managing land then will not be greatly changed from the present.

Therefore, for the present and immediate future, development of agricultural mechanization in China must focus on small machines and tools, on those machines and tools which are little affected by the limitations of scale. We should provide peasants with more small implements which have many uses, consume little energy, and are functionally stable and reliable, and also provide farm implements which are half mechanized, half human- and animal-powered. At the same time, given that land is divided among and run by families, we should study specific methods for shared use of agricultural machinery, especially medium-sized and larger machinery. We should study the question of scale results on the small scale. Some feel that the ideal in agricultural mechanization is a faster rate, large scale, and higher level, but this view has lost touch with reality, and neglects research into and resoltuion of the conflicts, under the conditions of the production responsibility system, between agricultural mechanization and the scale of land management. This also does not make the job easier.

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TECHNICAL ADVANCEMENTS APPLIED TO RURAL AREAS

OW110851 Beijing XINHUA in English 0828 GMT 11 Mar 86

[Text] Beijing, 11 Mar (XINHUA)--China has made great progress in popularizing advanced crop-growing and animal-breeding techniques in rural areas, thus giving an impetus to the development of the rural commodity economy, according to the Ministry of Agriculture, Animal Husbandry and Fisheries.

The mechanization of plastic-sheet covering in crop-growing made it possible to apply the technique to 173,000 hectares in 1985, a 32 percent increase over the previous year.

The plastic film covering technique was introduced from abroad in 1978. At first it was done by hand. Soon afterwards, machines and other devices were developed in a number of colder provinces and were put into service beginning 1982. The new technique helps ensure the farming season and preserve the soil's moisture.

The new technique has been applied in growing cotton, peanuts, watermelons and vegetables on vast areas, and has been experimented with in growing sugar beet, sugar cane and tobacco, as well as in planting maize, upland rice, wheat and other crops.

Industrial nurseries for rice seedlings is another new technique. Some 140,000 hectares of rice was planted by using this method in 1985, a 31 percent increase over the previous year.

Jilin province was hit heavily by typhoons in 1985. However, rice seedlings were raised in workshops and planted on more than 102,700 hectares, resulting in a crop increase of 28.9 percent.

With this new technique, Heilongjiang Province in the northeasternmost part of China, expanded its rice-growing area by nine times in 1985 over the previous year.

More and more Chinese peasants are raising fish in ponds with the help of irrigation and drainage equipment, feed-processing machinery, oxygen-increasing machines and other devices.

Wuxi city in Jiangsu Province adopted the technique of fish farming mechanization in ponds on its outskirts, covering more than 700 hectares of water surface, resulting in an output of 7.5 tons per hectare in 1985, as against only several hundred kg by natural feeding in the past.

One village in the same province reported an output of over 11 tons per hectare in its ponds covering about 50 hectares. Tianjin City in north China harvested 6.8 tons per hectare in 1985.

The fish farming mechanization has been popularized in 21 provinces, autonomous regions and cities throughout the country. The pilot ponds cover a total of 1.3 million hectares.

Compared with the traditional method of letting chickens run free, the new technique of cage-breeding them can raise the egg-laying rate by 20 percent and save feed by 10 percent, in addition to recovering all droppings.

One person can raise about 2,000 egg-laying hens by using the new technique. Now there are many households each raising 1,000 to 10,000 hens throughout the country.

According to statistics, the volume of eggs supplied by cage-breeding households in Tianjin made up 60 percent of the total, ensuring its self-sufficiency in egg supply in 1985.

In addition, the ministry this year plans to popularize new techniques including mechanization in upland crops in north China, and in wheat and rice harvesting, fruit preserving and processing, potato and maize processing, technology for developing small-scale hydropower and wind energy, and tree nurseries.

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CSO: 4020/250

AGRICULTURE TAX COLLECTION, MANAGEMENT DEFINED

Beijing NONGMIN RIBAO in Chinese 2 Dec 85 p 2

[Report by Zhong Hechu [6988 0735 2806]: "Requirements and Methods for the Country's Agricultural Tax Collection and Management"]

[Text] There are 800 million people and 185 million households who pay agricultural taxes, and several billion yuan are collected in a single year. With this many taxpayers and receipts to be stored in a short period of time, the workload is heavy, duties are formidable, the area involved is wide, and the policy implications powerful. It will not be well managed if finance and tax departments are solely relied upon. To do a good job of agricultural tax collection and management, it is necessary to rely upon the vast numbers of grassroots cadres, and organize the mutual coordination and close cooperation of all relevant departments under the unified leadership of local party committees and governments. Agricultural tax collection and management work requirements and methods will be explained presently as follows:

1. Agricultural Tax Registries Need To Be Established

An agricultural tax registry is a detailed listing of household-by-household registration that is carried out with taxpayers (some are called agricultural tax receipt registers). Agricultural tax regulations stipulate that taxpayers should report strictly according to the facts of land acreage, agricultural tax income, and other relevant circumstances to the township people's government, and that the township government will create a registry after investigation and appraisal, and submit it to the county-level people's government for inspection and verification. The county government is to calculate, according to the tax rate and on the basis of a verified and approved record of land and agricultural income, the tax to be paid, and notify the taxpayer to pay as scheduled. Collection organizations should annually investigate and verify the following conditions prior to collecting and handling agricultural taxes according to the law: 1. Taxes for taxpayers who have transferred land among themselves (including transfers between farmers of contracted land) are calculated by ratio according to the transferred land's average annual productivity on the basis of reports by both parties to the transfer. 2. Supervise and urge taxpayers to report strictly according to the facts reclaimed wasteland or the addition of new cultivated land by other means; promptly investigate and verify registrations; collect taxes according to the law when tax-free periods have expired. 3. Supervise and urge taxpayers to report strictly

according to the facts special production income from farming and forestry, and irregular agricultural income from land; promptly investigate and verify registrations; collect taxes according to the law. 4. With permission from the people's government above the county, taxpayer land occupied with a land-use permit as proof for national construction will be calculated by ratio according to verified reductions of land used and its average annual productivity.

2. Tax Notifications Need To Be Thorough

As stipulated by agricultural tax regulations, county-level people's governments must issue to taxpayers a tax notification for use as a tax payment statement. After a farm village implements diverse forms of the output-related responsibility system, agricultural tax responsibilities should be placed at the household whenever contracts have determined that agricultural taxes are to be paid out by the household. Appropriate methods also need to be adopted to notify households for agricultural tax payments to make payment of agricultural taxes convenient for farmers. Tax payments are to be paid promptly once agricultural taxes have been settled.

3. A Good Job Needs To Be Done on Agriculture Tax Payments

The CPC Central Committee and the State Council clearly stipulated on 19 August 1964 in "Communique on Paying Attention to Doing a Good Job of Recovering Loans for Agricultural Goods and Advance Purchase Deposits" that production brigades should firmly insist on "first deducting tax payments to be turned over to the nation," and should also deduct and return agricultural loans and agricultural product advance-purchase deposits, and then distribute profits. This requires that agricultural taxes should first be collected in full, and payment made for other items afterwards. Agricultural tax receipts are to be transferred to the state treasury through a bank's commercial office (by the receipts office). The bank must promptly turn over tax receipts to the state treasury according to the principle of "first the tax, then the loan." Taxpayers should perform the duty of paying agricultural taxes to the state according to the law. Grain, supply and marketing, and other departments settling accounts and transferring agricultural tax funds with banks according to regulations is a method for settling accounts and transferring accounts, and is different in character from withholding funds. It is wrong and impermissible to treat agricultural taxes that are to be turned over, settled, and released as "withheld funds" and refuse to handle them according to regulations.

4. A Good Job Needs To Be Done on Agricultural Tax Deductions

Taxpayers should report agricultural tax deductions factually. Finance and tax departments should, on the basis of thorough investigation and democratic discussion with the masses, propose a plan for tax-deduction recipients and tax-deduction payments, report and request inspection and verification by the county-level people's government, implement policy, and repay properly. Tax deductions should be made according to policy regulations, and need to be verified and reach the taxpayer who should enjoy the tax deduction prior to tax collection. (For those who implement the family output-related responsibility

system, and for those whose agricultural taxes are paid out from household contracts, verified and approved tax deductions should go to the farm household). Deduct first, then collect. Avoid making withdrawals from the treasury. Those who after permission have to withdraw from the treasury are to, in general, withdraw only tax funds, and not make withdrawals in kind. Collection organizations are to entrust banks with the transfer of tax deductions that should be withdrawn from the treasury. Taxpayers whose returns have been verified and approved and have a tax collection organization tax deduction withdrawal notification are to handle with the bank the account transfer or procedures for making a withdrawal. Once the withdrawal of the tax funds has been concluded, the bank should collect together and send the processed receipts to the collection organization for future reference and proof.

5. A Good Job Needs To Be Done in Transferring Treasury Deposit and Withdrawal of Agricultural Taxes

Agricultural taxes are a part of the country's financial income, and need to be promptly and fully transferred to and deposited in the state treasury. No one is allowed to obstruct the transfer up. Intercepting, retaining, and diverting are not permitted. Tax transfer to the state treasury is to be by the collection organization filling out and arranging an agricultural tax income-transfer letter, it is to be handled through the bank (by the receipts office) by means of an account transfer, and the treasury should give the collection organization a receipt as a voucher.

Once agricultural tax funds have been deposited in the treasury they are national financial funds, must be promptly and fully transferred to the state treasury, and withdrawals cannot be made without permission. The means for handling tax fund withdrawals is by using an account transfer according to stipulated limits of authority, should be according to the stipulated regulations of treasury management and with the financial and tax department filling out and arranging an agricultural tax income-withdrawal letter, and the bank should send the agricultural tax withdrawal-receipt and letter of credit provided by the taxpayer to the finance and tax department as a voucher.

6. A Good Job Needs To Be Done in Accounting For Agriculture Tax Collections and Transfers

Collection and transfer accounting is a method for collection organizations verifying and calculating agricultural tax receipts. "Collection" is to gather income from the taxpayer. "Transfer" is to turn in the money collected to the treasury. Collection and transfer accounting is the process and result of verifying and calculating, making known, and supervising agricultural tax collection and transfer on the basis of legal certification, and through accounting, calculating, and settling to insure that agricultural tax revenues are promptly and fully collected and transferred to the state treasury.

Matching account books, registration books, report forms, and confirmation tickets that realistically provide for an accurate reflection of circumstances need to be set up according to the agriculture tax collection and transfer process, and tax transfer is to be prompt, figures accurate, and tickets, certification,

funds, accounts, and report forms are to tally. All account books, registries, report forms, and confirmation tickets should be managed conscientiously and appropriately preserved, especially tax-collection and tax-refund certificates. A strict management system must be established. To plug leaks and prevent fraud, perfect procedures are needed and responsibilities made clear-cut in withdrawing, paying out, and verifying.

7. A Good Job Needs To Be Done To Respect Discipline and Obey the law

If taxpayers think that agricultural tax collection work is incorrect, appraisal unfair, calculations mistaken, or collections incorrect, they have the right to request reexamination and reconsideration at that township or a higher level people's government. Collection organizations should investigate and handle things conscientiously and quickly. At the same time that citizens enjoy legally defined rights according to the nation's constitution, it is necessary to perform legally determined duties and carry out the principle of democratic centralism. At the same time that taxpayers request reexamination by the people's government, they should first pay the tax figure verified and determined according to the county-level people's government. If the investigation shows that the tax actually is incorrectly or excessively levied, a refund will then be arranged.

The nation's constitution stipulates that: "The people have the legal duty to pay taxes." Agricultural tax regulations stipulate that: "If taxpayers underreport land holdings, agricultural income, or use other methods to evade taxes, following clarification by investigation they should retroactively turn over the evaded taxes. If the case is serious, it will be sent to the people's court for handling." Article 121 of the nation's "Criminal Code" stipulates: "In cases where tax-law violations, tax evasions, and tax-strike cases are serious, in addition to paying tax to make up the difference and paying fines according to the tax law, the directly responsible person will be sentenced to 3 years' or less imprisonment or detention.

Agricultural tax collection personnel should respect discipline and obey the law, impartially handle affairs, work energetically, and complete their duties. Agricultural tax regulations stipulate that: "In the work of collecting agricultural taxes, if there is criminal negligence of duty or fraud resulting in the nation's people incurring losses, disciplinary action is to be taken or [they] are to be sent to the people's court for handling according to the law according to the seriousness of the case." Everybody has the right to expose and inform the authorities of tax collection personnel who illegally neglect their duty and engage in fraud.

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PRC REDUCES AMOUNT OF GRAIN BOUGHT ON CONTRACT

HK140410 Beijing CHINA DAILY in English 14 Mar 86 p 3

[Text] While reducing its contract grain purchases this year by 20 percent, the government is taking a number of other steps to increase both farmers' income and grain production, FARMER'S DAILY reports.

The amount of grain bought at negotiated prices will be greatly increased this year, according to the paper, which carried the first detailed report about the program.

Contract grain is that part of the harvest which farmers--who voluntarily contract for land under the new economic policies--must turn over to the State at set prices. The remaining crop may be sold either on the free market or to the state at negotiated prices. Negotiated prices are generally higher than contract prices, benefiting grain growers.

The state resells its grain to urban residents at low fixed prices, subsidizing the difference.

To encourage farmeds to grow more grain, the state will sell them chemical fertilizers at subsidized prices and make loans available to them if they participate in the contract program, the paper said.

This is a major step aimed at enlarging the scope of market regulation and to expand the use of price levers to stimulate grain production following a drop in production last year. The total output in 1985 was 378.98 million tons, which was 28.33 million tons less than in the previous year. Natural disasters were partly to blame, the paper said.

Good harvests of grain, cotton and other crops are expected this year, He Kang, minister of Agriculture, Animal Husbandry and Fisheries, was quoted as saying. The area sown in grain exceeds last year's, He said.

He also said some major policies must be carried out to boost farm production. He specifically mentioned the policy of requiring industry to provide more support for the governmental and social organizations in developed areas, thus relieving the burden on agriculture and making grain growing more profitable.

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CSO: 4020/250

OIL SUPPLY FOR FARM USE TO BE GUARANTEED

OW080030 Beijing XINHUA Domestic Service in Chinese 1432 GMT 6 Mar 86

[Text] The sales branch of the China National Petrochemical Corporation dispatched an urgent cable today to petroleum supply departments in all parts of the country, urging them to do a good job in the supply of oil for farm use in order to support agricultural production and ensure a bumper harvest of grain this year.

The cable states: Petroleum supply departments in all localities should take the initiative to coordinate with other departments concerned in distributing oil for farm use. They should see to it that the targets set for the supply of oil for farm use are met by their grass-roots units, and that every effort is exerted to acquire sufficient supply so as to ensure the fulfillment of needs. Under the circumstance of insufficient oil supplies, it is necessary to control strictly the use of diesel engines for power generation and the burning of oil as a fuel in order to guarantee enough oil for use in farm work and for transproting those materials that serve the needs of agricultural production.

The cable asks all sales branches and offices to make positive arrangements to acquire oil supplies and coordinate their efforts with transportation departments to strengthen their contacts with the provinces, autonomous regions, and municipalities concerned so that they will be able to make quick and flexible adjustments of their supply, provide oil to meet the needs in a timely manner, and render satisfactory service. As for oil required in disaster-afflicted areas and key grain-producing areas, appropriate arrangements should be made to deliver the oil on a priority basis.

In addition, the cable requests that all units supplying oil for farm use send their representatives to the first line of agricultural production to get acquainted with the preparatory work being carried out for farming to understand clearly the oil requirements there. To meet the requirements in remote and border areas and those places where adequate transportation facilities are lacking, oil should be delivered to the users to serve their needs.

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CSO: 4007/316

COTTONSEED DETOXIFICATION TECHNIQUE APPROVED

OW090248 Beijing XINHUA in English 0206 GMT 9 Mar 86

[Text] Nanjing, 9 Mar (XINHUA)--The Chinese government has approved a new technique to turn toxic cotton seeds into animal fodder, Professor Liu Fuguang said today.

"The technique, to be promoted nationwide, involves immersing cotton seeds repeatedly in a solvent containing alcohol and gasoline to separate free phenol from the seeds," explained Liu, who teaches at the Wuxi Light Industry Engineering College in Jiangsu Province.

The technique, developed by the college and an oil-pressing factory in Nantong City, was given official approval by the Chinese Academy of Sciences, the Chinese Academy of Agricultural Sciences and the Ministry of Commerce at a meeting in Nantong last week.

"Though containing 37 percent protein, cotton seeds are toxic because their phenol content is 1.9 percent," said Liu, who is in charge of the research topic. So they can be used only as fertilizers.

He said: "Our new technique cuts the cotton seeds' phenol content to the international safety standard of less than 0.4 per thousand, enabling them to be used as animal feed, human food or industrial raw material."

In addition, phenol, the by-product, can be used for making male contraceptives and medicines to treat gynecological and urological diseases.

China's cotton crop yielded 10 million tons of seeds last year, according to the meeting.

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CSO: 4020/250

PRC URGED TO CURB GROWTH OF TOBACCO INDUSTRY

HK110415 Beijing CHINA DAILY in English 11 Mar 86 p 2

[Article by staff reporter Xie Songxin]

[Text] The state has been urged to strengthen its sales monopoly of tobacco and tobacco products to stop the uncontrolled development of the industry.

Chen Shuxun, a senior research fellow of the Office of Industrial Management's Institute of Industrial Economics under the Chinese Academy of Social Sciences, told CHINA DAILY that because of the special character of the tobacco industry it was decided that it should be centrally controlled, and the industry was made a state monopoly in 1983.

Profits came to 12 billion yuan ($3.75 billion) last year. But the state did not reap all of those profits. Part went to local governments, which not only levy sales taxes on tobacco but also retain management control of the factories.

The monopoly makes possible high taxes and high profits. After taking a share, the state allows local governments to retain a greath proportion of tobacco income to help them develop other industries.

The high taxes are intended to keep the tobacco industry from growing out of hand. However, Chen said the high profits cause local governments to promote development of the industry.

Chen and his group investigated the tobacco industry in 10 cities of 7 provinces last year and discovered many local violations of the regulations of the monopoly on tobacco sales which were promulgated by the State Council in 1983.

Uncontrolled planting of tobacco caused great losses to the state. In 1985, the state had intended to buy only 140,000 kilograms of tobacco. But it ended up with 180,000 kilograms because local governments had encouraged farmers to grow more.

On the other hand, the industry actually needed only 140,000 kilograms, and a large quantity was damaged owing to inadequate facilities for processing, storing and transport.

High profits upset the normal marketing of the best tobacco, fluecured. Local governments try to hold on to as much as possible for their local factories. As a result, makers of famous brands of cigarettes fail to get their full quotas. Last year, the Shanghai Cigarette Factory had to cut production of its popular Zhonghua, Phoenix and Peony brands.

Profits on cigarettes can reach as high as 60 percent. Therefore, local governments encourage their factories to make as many as possible, even though they exceed quotas set by the state. In the city of Bengbu, Anhui Province, tobacco and cigarette taxes account for 66 percent of the city government's revenue. Of Yunnan Province's total revenue, more than half is from tobacco and cigarettes.

Uncontrolled production causes market competition although it is not allowed under monopoly regulations. In some areas, an oversupply forces price-cutting to reduce stocks. In others, tobacco products from other provinces are kept out to protect the local industry and local revenue.

All this has created fund shortages in some places, wasted products in others, and caused uncontrolled development but low efficiency throughout the industry, Chen said. Such losses are around 1 billion yuan a year.

To correct the problems and strengthen the monopoly, Chen suggested the following measures:

--The tax system should be reformed. Taxes should be raised but the state should allow local governments to keep only enough to assist their over-all development but not enough to encourage uncontrolled growth of the tobacco industry. Chen suggested that the national government's share should be about 70 percent.

--The monopoly laws should be enforced. And not just the State Tobacco Monopoly Sales Bureau but all industrial and commercial bureaus and tax offices should be responsible for enforcement.

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CSO: 4020/250

BRIEFS

PRC TO PUBLISH LAND USE, RESOURCE MAPS--Beijing, 15 Mar (XINHUA)--China's first set of maps illustrating land use and resources, with a scale of 1:1,000,000 will soon be completed, according to the Geological Research Institute of the Chinese Academy of Sciences. Among the more than 60 maps, 45, including 6 in full color, have been completed. This is the fruit of a five-year effort by some 300 scientists from 45 organizations. The Geological Institute authorities said that these maps will be valuable for designing China's economic and agricultural plans. [Text] [Beijing XINHUA in English 0842 GMT 15 Mar 86 OW] /9738

CSO: 4020/250

WANG YUZHAO SPEECH AT ANHUI RURAL CONFERENCE

OW081421 Hefei ANHUI RIBAO in Chinese 5 Feb 86 p 1

[Excerpts of speech by Wang Yuzhao delivered at the provincial meeting on rural work on 30 January: "Deepen Reforms, Comprehensively Revitalize the Rural Economy"]

[Excerpts] I. Basic Appraisal of the Rural Situation in 1985

Last year, following its success in the first-stage rural reform, which focused on the adoption of the system of contracted responsibilities with remuneration linked to output, Anhui also took a major step and successfully reformed the unified and fixed state purchase system for farm produce and readjusted rural production structure. Broad masses of peasants have shown greater initiatives in production and are more enthusiastic about working hard to improve their standard of living. The commodity economy has become more prosperous. After rapidly expanding for several years, our rural economy has entered a new phase of sustained, stable, and balanced development. At the beginning of 1985, we put forward three demands: readjusting the production structure; changing the crop mix, putting more emphasis on crops other than grain and restructuring the labor force; and achieving progress in developing village and town enterprises, in livestock breeding and aquatic products industry, and in small towns. Major progress has been achieved in these areas, thanks to the concerted efforts of the vast numbers of cadres and the people. The growth rates of our major farm produce and the total agricultural output value were in the nation's forefront. Last year's practice has fully demonstrated that the central committee's strategic decision on second-stage rural reform is completely correct. Anhui's countryside has undergone tremendous changes, and the trend of development is good. Reform has opened a new path suitable to Anhui's reality.

Reform has basically stabilized grain production and has laid a solid foundation for readjusting rural production structure and developing the provincial economy. Grain output is estimated at more than 43 billion jin, the second best year in history. The grain procurement task is also expected to be fulfilled, with more grain shipped out of the province than any other past year. We have every reason to believe that the reform of the unified and fixed state purchase system for farm produce has succeeded.

It has given more decisionmaking power to the peasants regarding commodity production and thereby forcefully promoted development.

Reform has enabled various economic sectors to complement each other and has made the production structure more rational. As a result, the rural economy has taken a giant step forward toward diversification and balanced development. Last year, the percentage of farmland sown to grain crops declined to 70.8 percent from 77.7 percent of 1984 while the percentage of cash crops rose from 23 percent to 29.2 percent. The ratio of the output value of crop cultivation to that of agriculture as a whole is expected to go down from 76.9 to 74.2 percent, while the ratio of forestry, livestock breeding, sideline production, and fishery is expected to rise from 23 to 25.73 percent.

In the process of readjustment, breakthroughs in the following three areas were most remarkable:

The first breakthrough was in village and town enterprises. Village and town enterprises produced 8.52 billion yuan in output value last year, 3.8 billion yuan or 81 percent more than in 1984. They produced more than 1 billion yuan of profits and paid 0.3 billion yuan in taxes to the state, increases of 72.4 and 87.3 percent respectively over 1984. The number of household and joint household enterprises has increased by more than 300,000 to over 678,000, with more than 3.7 billion yuan in output value, which was 1.5 times that of 1984. In 45 counties there was an output value of more than 0.1 billion yuan last year, while there was only 1 in 1983 and 15 in 1984 that reported an output value of this amount. In addition, six counties (districts) produced more than 0.2 billion yuan in output value for the first time in their history.

The second breakthrough was in economic diversification. In the course of readjusting the production structure, various localities paid attention to both grain and cash crops. Total agricultural output value was able to grow at a considerably higher rate, even though grain output registered a slight decline. The output of oil crops, hemp and flax, silkworm cocoon, fruits, meat, eggs, dairy products, and aquatic products, and the number of large animals and poultry raised broke previous records. The production norms for forestry were also completely fulfilled. The output value of the state farm and land reclamation departments rose 12 percent over 1984, even though their grain output had decreased as a result of natural disasters.

The third breakthrough was in the development of small towns. By the end of 1985, Anhui had more than 3,450 small towns, of which 375 were chartered, an increase of 73. More than 1.1 million peasants went to the towns to conduct business or to work in factories, and more than 469,000 of them had completed procedures to move to the towns under the condition that they would take care of their food grains themselves. Newly built houses totaled more than 6.8 million square meters in floor space, and the 319 rural markets constructed last year had a total area of 1.25 million square

meters. Both the streets and public facilities have notably improved. A number of communities engaging in specialized production and markets catering to the needs of the nation have appeared in various parts of the province.

Reform has revitalized our rural economy and brought encouraging benefits to the province. Our agricultural output value last year is estimated at 18.6 billion yuan, an increase of 20.3 percent over 1984. The annual growth rate for the period of the Sixth 5-Year Plan averaged 15 percent, far more than the 7.4 percent target set under the plan and also surpassing the 10 percent national average. The grain produced in the last 5 years was 5.6 percent more than the target set under the Sixth 5-Year Plan. The targets set for the volume of cash crops, livestock products, and aquatic products, and for afforestation area were all surpassed. The economic benefits from agricultural production also greatly increased. Per capita output value reached 798 yuan last year, 83 yuan more than in 1984. Per capita rural income is estimated at 356 yuan, 13.5 percent over 1984 or nearly twice as much as 1980. In 1982, Comrade Hu Yaobang said that by 1985 Anhui should have roughly four different levels of income in the rural area, that is, 200, 300, 400, and 500 yuan, and the per capita income should average 350 yuan. This target has been achieved. While building material civilization, we have also made new progress in developing spiritual civilization in the countryside.

The year of 1985 was the first one in the second-stage reform and the full-scale readjustment of rural production structure. Some problems have appeared because of our lack of experience. The main problems are uneven development, slow progress in a number of places, inadequate followup measures of reform, failure of the service sector to meet the demands of production development, and haste and shortsightedness in the readjustment measures taken by a few areas. In addition, circulation is not smooth in the countryside, and the difficulties of selling and purchasing have not been resolved. The burden of the peasants is still heavy. Financial and material management in some places is rather chaotic. Rural scientific and technological work is unable to meet the needs of readjustment. In some places, grassroots party organizations and government structure are rather weak, and the ideological-political work is slack. These are problems that are expected in our development. If we continue our reform, seriously carry out the party's policies, and mobilize all positive factors, these problems should not be difficult to resolve.

Looking back on the course of reform in 1985, I have the following understandings:

1. We Must Constantly Eliminate Interference and Adhere to Reform Without Wavering

Last year when we readjusted the industrial structure, reduced the grain acreage, expanded the cash crop acreage, developed town and township enterprises, and abolished the state monopoly purchase system, we heard many

complaints, but we did not waver. We did not back out when facing difficulties. On the one hand, we analyzed the situation, unified our thinking, and firmed up our determination to carry on reform. On the other hand, we carefully mapped out measures to solve the problems then arising, gave good guidance, and persevered in making reforms. We eventually won the victory of the "initial battle which was carefully fought."

Experience shows that encountering problems is unavoidable while making reforms. When we firm up our confidence, stick to reform, and use reformed methods to solve problems arising in the course of reform, we can certainly promote sustained, steady, and harmonious development of the rural economy.

2. We Must Respect the Creative Initiative of the Masses and Follow the Way Which Suits the Practical Condition of Anhui

Now that the problem of adequately feeding and clothing the peasants has been solved, how should we lead them to a well-to-do status? Proceeding from the concrete condition in Anhui, we proposed that development of town and township enterprises be made an important strategical measure for realizing the goal of doubling and redoubling the agricultural output value to make the people rich and the country strong.

3. We Must Give Correct Commands To Insure the Sound Development of the Reform Drive

4. We Must Expand the Country-Level's Self-Decision Power so as to Intensify the Reform Drive

II. Major Points of 1986 Tasks

In 1986 the overall requirement of the rural work in our province is: to implement the policy; intensify the reform drive; improve conditions for agricultural production; do well all the organizational work with service as the central task; and promote the sustained, steady, and harmonious development of the rural economy. The specific targets are: 44 billion jin of grain output, 3 billion jin of oil-bearing crops, 3.5 million dan of cotton, 1.5 million mu of afforestation, 12 billion yuan total output value of town and township enterprises, over 20 billion yuan of the total agricultural output value, and an increase of 50 yuan in peasants' per capita income. These major targets will be submitted to the Provincial People's Congress for approval.

1. The Structure of Agricultural Production Will Continue To Be Readjusted

The general objective of readjusting the structure of agricultural production is to shape up a comprehensive structure with agriculture as the foundation, with the multitude of undertakings interrelated and harmoniously developing, and with resources, funds, the labor force, technical know-how, and other factors to production being combined in the best possible way so that the economic, ecological, and social benefits can be achieved, the

virtuous cycle of the rural economy can be realized, and peasants can become richer more quickly. This year we should achieve one steady growth--steady growth of grain output; and four new breakthroughs--progress in animal husbandry and marine products, town and township enterprise development, forestry, and commercial circulation.

2. Town and Township Enterprises Will Be Further Developed

All areas must seriously follow the principle of "active assistance, reasonable planning, correct guiding, and strict control," adhere to the development orientation of "being based on and serving agriculture," and mobilize the six links of county, district, town, township, household grouping, and individual households to work equally hard while emphasizing households groupings and individual households. Development efforts should be concentrated on first, processing and transforming farm produce and sideline products; second, opening up and multipurpose use of mineral resources; third, production of urban industries; subcontract products and products that can earn foreign exchange; fourth, building industry and building materials industry; and, fifth, tertiary industry. On the basis of developing the enterprises run by households groupings and individual households, towns and townships should also make efforts to build a number of backbone collective enterprises to play the "dragon head" role.

Related departments' support is indispensable to the development of town and township enterprises. All support policies that have been set must not be changed at will. Taxation departments must tax these enterprises adequately. Monetary departments must make arrangements to provide maximum possible funds and loans to help develop town and township enterprises.

3. Further Improve Circulation of Commodities

We should put into practice a simplified and open-type circulation system that incorporates different economic forms, multicirculation channels, and different operation styles. We should also increase circulation volume and speed. As for the procurement and marketing of agricultural sideline products, we should encourage multichannel operations and competition. County government will from now on be empowered to oversee grain procurement. As long as the grain procurement quota is met, grain can be sold outside the county. State-run commercial enterprises and supply and marketing cooperatives should build up adequate stock for meat, poultry, eggs, aquatic products, and winter vegetables--important commodities which directly affect people's livelihood. Take good advantages of storage facilities, capital and manpower, means of transportation, and on the basis of good market forecasts, control the supply of major commodities; actively engage in market regulation, hold down commodity prices and fully play a guiding role.

4. A Perfected Cooperative System With Service at Its Center

5. Strengthen and Perfect the Contract System

Grain, commercial, and supply and marketing departments should have concluded contracts with peasants at the beginning of the year with regard to procurement of this year's grain and other agricultural sideline products.

Methods of grain contracting should be further improved. In order to protect production and encourage peasants' sale of grain to the state, the state has decided to reduce the assigned grain quota contract for our province. We will, in accordance with the state's assigned task, reduce the quantity of grain purchased through contracts and increase the proportion of grain purchased at market prices.

6. Lighten the Peasants' Burden

We should unify thinking, control scope, set up criteria, and improve methods to solve the problem of overburdened peasants. From now on, all undertakings that the state organs and departments intend to set up in rural areas must be weighed against their own financial resources and peasants' financial conditions beforehand. Random and arbitrary levies and increases in levy through pretexts are forbidden.

7. Introduce New Scientific and Technological Progress Into Rural Areas

8. Accelerate Improvement of Conditions for Farming Production

Leaders at all levels have begun to realize the importance of increasing funds to improve production conditions and engage in technological transformation. We should, in a down-to-earth manner, devote our attention to stepping up rural capital construction, providing impetus for agriculture and to the sustained development of rural economy.

Capital needed to improve conditions for agricultural production should mainly be raised by collectives and masses themselves. Financial departments at all levels should at the same time increase investment. Starting this year, in addition to making full use of increased state's allocated investment funds for rural capital construction, farming operation fees and other special farming funds, the province plans to appropriate some surplus funds from the provincial treasury and use them for agriculture. The province also plans to use a certain proportion of income taxes levied from town and township enterprises and industrial and commercial taxes to assist agriculture.

9. Assist Poor Areas in Shaking Off Poverty

10. Continue To Do a Good Job in County-Level Comprehensive Economic Reform

We must continuously do a good job in 22 counties which are engaged in trial county-level comprehensive economic reform; decision-making power at county-levels should be expanded; the county-level economy should be

strengthened. We should open up our minds and further emancipate thinking. We should strengthen our understanding of commodity economy; learn ways to accumulate, manage, and make use of wealth; put our advantages into play and avoid shortcomings; and fully explore economic potential in each county.

Comprehensive economic reform at the county-level involves many departments; requiring strengthened leadership and coordination. Departments concerned in the province, prefectures, and cities should actively and enthusiastically help solve difficulties; help remove unreasonable stipulations that hamper the county's creativity and initiative; and render energetic support to and serve those counties undergoing comprehensive economic reform.

III. Seriously Strengthen Leadership Over Rural Work

Stable rural economic development directly affects the national economy as a whole. Party committees and governments should always give top priority to rural work and carry it out successfully.

1. Achieve Unity in Thinking and Understanding, Persist in Reforms, and Never Turn Back

At present, the most important thing is to seriously study, publicize, and implement this year's Central Document No. 1 and the important speeches of our central leading comrades and to make the vast numbers of party members, cadres, and the masses correctly understand the current situation so they will have strong confidence in the reform and carry it out with determination.

2. Carefully Plan and Arrange Rural Party Rectification, Combine Party Rectification With the Drive To Strengthen Grassroots Organizations

Rural party rectification should be systematically carried out. Currently we should concentrate on party rectification at the district and township level and strive to complete it in the first half of this year, before the start of the busy farming season. In district and township party rectification, we should stress positive education and correctly conduct criticism and self-criticism. We should pay close attention to local conditions and stress key points. We should educate party members in party goals. We should rectify the thinking and workstyle of party members, especially cadres with party membership in the course of straightening out financial affairs and reducing the peasants' burden. We should also pay attention to ensuring a sound innerparty life. Village party rectification should be conducted after the autumn harvest.

Grassroots work, including grassroots organizational construction, is the foundation of our entire rural work. Many things will become empty talk if this work is not done well. To ensure its success, the most important thing is to build good leading bodies and raise the cadres' qualities. Township governments should assume the responsibility of organizing the economic life. Established economic organizations at the township level

should be further improved. Efforts should be made to strengthen the training of rural grassroots cadres to improve their political awareness, theoretical and policy standadres, and scientific and educational levels.

3. Improve Leadership Style, Pay Attention To Work Methods

4. Further Strengthen the Building of Socialist Spiritual Civilization in the Countryside

The year 1986 was the first year of the Seventh 5-Year Plan. Comrade Yaobang recently pointed out: We must do better in the next 5 years than we did in the previous 5 years. We must firmly implement the party Central Committee's correct line, principles, and policies, strive to overcome difficulties, and work in unity for a splendid future!

/9738
CSO: 4007/318

BRIEFS

ANHUI FIGHTS DROUGHT--Since last winter rainfall has been scarce in most of Anhui. In places north of the Huai He, only 30 millimeters of rainfall was registered, 50 to 60 percent less than normal. Water volume in reservoirs in south of the Huai He and the Chang Jiang was lower than in past years. Therefore, the provincial water conservancy department issued a circular calling on various localities to pay attention to spring irrigation and drought-fighting work. [Summary] [Hefei Anhui Provincial Service in Mandarin 1100 GMT 6 Mar 86 OW] /9738

ANHUI FISHERY PRODUCTION--Hefei, 17 Feb (XINHUA)--The Anhui Provincial People's Government stresses fishery production this year. The province has built 1,300 fishing villages; over 1 million farming households contracted for over 1 million mu of fish ponds; and some 88 state commercial fishing grounds have been established. Total fishery output in 1985 reached 160,000 metric tons; gross fishery output value reached 200.93 million yuan. The province plans continued promotion of fishing technology across the province and to add another 500,000 mu of paddy field for fish breeding. [Summary] [Beijing XINHUA Domestic Service in Chinese 0102 GMT 17 Feb 86 OW] /9738

ANHUI AGRICULTURAL PROJECT--A development project in Anhui Province, known as the Pi-Shi-Hang Project, was started at the end of last year. This is the largest agricultural project using foreign capital in the Seventh 5-Year Plan with a total investment of 712 million yuan. The investment includes a $92 million loan from the World Bank. The project, aimed at improving irrigation facilities and increasing the flood-draining capacity, involves 13 counties of Luan and Chaohu Prefectures and Hefei City, covering 25,450 square km. It will take 5 years to complete. To strengthen the management of this project, the Anhui Provincial Government has formed a leading group for using foreign capital in developing agriculture, headed by Vice Governor Meng Fulin. [Summary] [Hefei Anhui Provincial Service in Mandarin 1100 GMT 21 Feb 86 OW] /12232

CSO: 4007/316

BRIEFS

FUJIAN TREE NURSERIES--Fuzhou, 6 March (XINHUA)--Fujian authorities plan to spend 7 million yuan over the next 5 years on developing the province's tree seed farms, provincial Forestry Chief Fu Guibi, said here today. The province, on China's southeast coast, has already invested 10 million yuan in seed production since 1974, and is now one of China's leading nursery areas, said Fu. It now has more than 100 tree seed farms, and produced 30 tons of seeds of superior tree strains last year. The province has 1,000 hectares of land devoted to seed production, 1,100 hectares to maternal trees, 83 hectares to saplings, and 590 hectares for experimental use. Fu said the seed farms were expected to grow to cover 4,000 hectares by 1990, when they should be able to produce 178 tons of seeds. Subtropical Fujian is one of China's key forest regions with 4,500,000 hectares of forests, and a forest coverage of 39.5 percent. It has 430 million cubic meters of standing timber reserves, and an annual timber yield of more than 4 million cubic meters. [Text] [Beijing XINHUA in English 0701 GMT 6 Mar 86 OW] /12232

CSO: 4020/242

GANSU AGRICULTURAL BANK INSPECTS LOAN GRANTING WORK

HK060447 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 28 Feb 86

[Text] The Provincial Agricultural Bank launched a large-scale inspection of the work of granting loans, solved the problem of abusing power and really corrected party and bank work styles. This has received a good response from the peasants.

In recent years, some credit cooperative workers of the Provincial Agricultural Bank has their concept about party spirit and policies blunted. Therefore, there were problems of abusing power, embezzlement and arbitrarily granting loans. In order to correct these unhealthy tendencies, the Provincial Agricultural Bank pooled efforts from various sectors and formulated measures. Beginning October last year, it launched a full scale check on all loans granted in and after the 4th quarter of 1984.

In addition, two of the Provincial Agricultural Bank's branch heads personally led cadres in handling major cases in seven prefectures and cities, including Xinyang and Jingchuan. They also solicited opinions from local party and government authorities, as well as the masses.

The agricultural banks at all levels have examined every agricultural, commercial, collective and individual loan. According to the statistics conducted in nine areas including Lanzhou and Jiuchuan, by the end of January this year, over 1,700 banks, credit cooperatives and offices were checked, involving a total amount of over 1.4 billion yuan. Some 25 million yuan of arbitrarily granted loans was recovered. They were granted without prior approval, failed to meet the requirements for granting loans, or were granted just because of personal relationships. About 30 people who abused power in the granting of loans had party and government measures taken against them. Also, the bank reported to the judicial departments for handling, the cases of six people who committed serious crimes.

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CSO: 4007/316

BRIEFS

QUANGDONG HARNESSES RIVERS--Quangdong People's Government decided that beginning this year, it would allocate 8 million yuan annually for 10 consecutive years, to harness the upper reaches of the Hanjiang and Bei Jiang, in addition to allocating building materials to the 5.6 million mu area in the upper reaches for harnassing ports. At present, the province's area affected by soil erosion, accounts for about 4 percent of the province's total area. According to statistics from 17 counties and cities in the upper reaches of the rivers, over 47 million square kilometers of area is affected by soil erosion. The area of farmland affected by this accounts for 25 percent of the province's cultivated area. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 26 Feb 86 HK] /12232

CSO: 4007/316

SCIENTISTS BOOST ECONOMY IN MOUNTAIN AREAS

OW010840 Beijing XINHUA in English 0655 GMT 1 Mar 86

[Text] Guiyang, 1 March (XINHUA)--A pastry factory in a county in southwest China was facing bankruptcy because of high costs and limited market, when a scientist went to make a survey.

The scientist, Tang Mengxuan, director of the Guizhou Provincial Commerce Institute, suggested the factory tap the resources of wild palnts for production of preserved fruit.

With technology and equipment provided by the commerce institute, the factory produced 25 varieties of preserved fruit and nutritious juices, and earned 12,000 yuan in profits between August and December 1985, recovering the total investment in 5 months.

This was only one of the examples of scientists from Guiyang, capital of Guizhou Province, helping peasants in poverty-stricken areas to develop their local economies.

The province Science and Technology Commission organized 30 experts in agriculture, animal husbandry, hydraulic engineering, light industry, and geology to investigate natural resources and work out overall plans of economic development in mountain areas earlier last year, following the direction outlined by China's leaders.

Inspecting Guizhou Province not so long ago, Chinese Communist Party General Secretary Hu Yaobang and Premier Zhao Ziyang repeatedly encouraged scientists to contribute to the economic development of mountain areas where the climate is favorable for crops and natural resources are abundant.

The scientists have worked out 23 schemes since last March for grain production, animal husbandry, horticulture, processing of farm produce, mining, building material production, handicrafts and packaging.

The four pilot mountain counties, inhabited by minority nationalities, invested 4.4 million yuan in the projects, which yielded a total output value of 12.4 million yuan and a net profit of 4.5 million yuan last year.

The 33 families in Zhangzhai Township, Yuping Autonomous County of the Tong nationality could not support themselves and had to depend on relief funds and food for years.

Technicians helped the peasants learn techniques of breeding pigs and prevention of pig diseases, as well as introducing fine breeds and mixed feed.

The 33 families sold 710 head of pigs last year. In addition to paying off loans, each household earned 860 yuan, the biggest sum they had ever seen.

Moreover, peasants who had been illiterate for generations began to attend various technical training courses, while those who could read and write flocked to bookstores.

Last year, the four counties held 700 training courses with a total attendance of 56,000, one-eighth of the local labor force.

With a better understanding of the gap between thier own and developed regions, the peasants there began to bid farewell to the closed natural economy. The four counties have established ties with more than 100 research institutes, colleges and industrial enterprises to acquire information, personnel and funds.

Encouraged by the initial success, the provincial government this year plans to assign more scientists and allocate 20 million yuan for development of the mountain areas, which cover the majority of the land mass in the province.

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CSO: 4020/242

COMMITMENT MADE TO DEVELOP AGRICULTURE, GRAIN PRODUCTION

OW061729 Beijing XINHUA in English 1528 GMT 6 Mar 86

[Text] Guiyang, 6 March (XINHUA)--Guizhou Province in southwest China will spend more than 300 million yuan this year, 25 percent more than last year, on agricultural development.

Local officials said here today the province is determined to achieve a grain harvest equal to that of 1984, the highest ever in its history.

Guizhou's grain production decreased by 21.6 percent last year as a result of "natural disasters" and a 200,000-hectare decrease in its grain-growing areas. The decrease in the grain-growing areas was part of Guizhou's program to adjust the structure of its agriculture.

The officials noted that the province will make efforts to increase its grain yield for future agricultural development.

Guizhou has a population of 29 million, including 26 million peasants. The average per capita annual income of the peasants was 296 yuan last year, one of the lowest in China.

The province has decided to spend 20 million yuan of extra money this year helping boost its underdeveloped rural areas, said the officials.

To develop its agriculture, Guizhou also plans to popularize agricultural sciences among the peasants. It has decided to offer technical training in the next 2 or 3 years to all the 2.6 million high school graduates and 400,000 demoiblized soldiers in its rural areas.

More than 500,000 peasants in Guizhou have already received the training and the province plans to open training courses for another 1 million peasants this year.

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CSO: 4020/242

SCIENCE HELPS EAST HEBEI INCOMES TO ROCKET

OW021132 Beijing XINHUA in English 1056 GMT 2 Mar 86

[Text] Shijiazhuang, 2 March (XINHUA)--Peasant income in East Hebei Province has rocketed six times to 300 yuan per person over the past 3 years thanks to the dissemination of scientific techniques, according to the provincial authorities.

This part of northern China, called the Heilonggang area, covers 38,000 sq km, including 15 counties and cities. The natural conditions used to be so hostile that water available for irrigation was less than one-eighth of the national average and the poor alkaline soil yielded only about 750 kg of grain per hectare.

With outmoded farming techniques, local peasants "had to depend on loans and relief grain" when the per capita annual income remained at about 60 yuan up to 3 years ago.

The State Science and Technology Commission entrusted Hebei Province with conducting comprehensive research into changing the situation in 1982.

Over 500 scientists fron 9 research institutes, colleges, and other units concentrated on rational irrigation, fertilization, and cultivating techniques.

To disseminate science steadily, they have established pilot households who receive training, technical guidance and data, as well as fine strains and breeds first. Through those households, techniques have been spread to more villagers.

Scientists also held training courses and toured villages to extend technical consultancy.

Under the guidance of those scientists, plus flexible policies, the grain output of the 39,000 hectares of farmland averaged 5.4 tons per hectare last year, almost doubling the figure for 1982.

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CSO: 4020/242

RURAL ENTERPRISE SUPPORT OF AGRICULTURE URGED

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 7 Dec 85 p 1

[Article by Ma Qingqiang [7456 3237 1730] and Li Xudong [2621 2485 2639]: "Agriculture Development in Hebei Depends on Township and Town Enterprises; In Past 4 Years Township and Town Enterprises Have Provided Villages with More Than 5.8 Billion Yuan in Funds, Annually Providing More Than 200 Million Yuan for Farmland Water-Conservancy Capital Construction"]

[Text] During the Sixth 5-year Plan, township and town enterprises in Hebei have conscientiously implemented the policy for adjustment of the national economy, demonstrating a new degree of continued and stable growth with substantial results and at a number of levels. They have achieved the goals of the Sixth 5-year Plan 1 year ahead of schedule. It is predicted that this year in Hebei, the total income for township and town enterprises may be 15 billion yuan, 40 percent more than last year.

Centering industry on agriculture and making industry promote agriculture is the fundamental guiding thought of the provincial central committee and provincial government on the development of township and town enterprises. From 1981 to 1984, the total income of Hebei's township and town enterprises was 22.46 billion yuan, of which 5,878,000,000 yuan were funds used to support agricultural production, 26.2 percent of the total income; this included 840 million yuan in funds used to purchase large agricultural machinery, farmland water-conservancy capital construction, aid to poor teams for the development of production, and the establishment of agricultural technical service centers (stations); 5,038,000,000 yuan in funds were used for direct distribution among commune members, paying the wages of commune members working in industry, use in collective welfare institutions, substitute payment of the agriculture tax, and grain and vegetable subsidies. In addition, more than about 500 million yuan were paid in subsidies to village cadres, wages of teachers at locally-run schools, and fees assisting households enjoying the five guarantees.

During the Sixth 5-year Plan, direct services from township and town enterprises to agricultural enterprises and the quantity of products have increased annually. According to statistics, from 1981 to 1984, township and town enterprises in Hebei produced more than 370,000 tons of nitrogen,

phosphate, and potassium fertilizers, about 4,100 tons of various agricultural chemicals, 109 million parts for agricultural machinery, 68 million iron and 18.39 million wooden agricultural tools.

Every year township and town enterprises invest more than 200 million yuan in farmland capital construction, which improves agricultural production conditions and promotes reform of the agricultural production structure. Hebei has had 4 straight years of bumper grain and cotton harvests; with this as a basis, this year's total grain yield is 1.1 billion jin more than last year's, again setting a historical high. The growth of township and town enterprises has improved the peasants' standard of living. In the past 4 years township and town enterprises in Hebei have given out 4.97 billion yuan of funds for distribution among commune members and as payment of wages to commune members working in industry, an average of 260 yuan for each working person, and 15 percent of the rural per capita income in Hebei. Medium and small agricultural tools produced by township and town enterprises for the needs of the rural production responsibility system account for 60 percent of those sold in villages.

12919/13104
CSO: 4007/177

COTTONFIELD HAIL DISASTER INSURANCE EXPANDED

Shijiazhuang HEBEI RIBAO in Chinese 30 Nov 85 p 2

[Unattributed article: "Knowledge About Insurance; Cottonfield Hail-Disaster Insurance"]

[Text] Cottonfield hail-disaster insurance refers to being able to quickly receive economic compensation after suffering hail-disaster damage during the cotton-growing season, thus it is one kind of insurance for protecting farmers' economic interests.

Cotton is one of the province's major cash crops. In the last several years cotton cultivation has developed rapidly, and has moreover already become an important avenue for farmers to enrich themselves by their diligence. However, natural disasters occur yearly, and particularly the damage which a hail disaster poses for cotton is even greater. Cotton farming is extremely worrysome, and there is a pressing need to offer insurance services for it. To do this, the province ran experimentally cotton hail-disaster insurance for the first time last year in Xinle County. It was well received by cotton farmers. This summer, cotton hail-disaster insurance has already been expanded across the province to 12 counties, and the contracting area is more than 68,000 mu and insurance premiums are more than 4.8 million yuan. Insurance companies have awarded more than 68,000 yuan, and effectively insured the farmers' economic interests.

Insurance Awards: Cotton hail-disaster insurance awards are insurance awards calculated from the production costs in seeds, water, fertilizer, electricity, pesticides, labor time, and so on used by farmers when cultivating cotton, and are included in the insured costs. The per mu insurance figure determined by calculation is 70 yuan. The insurance fee is 1 yuan. Practice shows that cotton field insurance costs are not only within the economic means of farmers, they also fit the country's farm insurance management principles.

Period of Coverage: Generally calculated from when the cotton shoots appear from the soil until 30 September by which time the cotton harvesting has essentially been completed. Insurance cannot be discontinued during the insurance period, nor fees returned. Procedures for participation in insurance for the following year have to be performed separately.

Handling of Compensation: Except for a total loss (production is a total loss), it is difficult to calculate accurately the loss ratio after a cottonfield has suffered losses from a hail disaster. The more practical compensation method sorted out by tallying the facts are: First, total loss (production is a total loss) stipulates that a limit of 30 percent of the guaranteed per mu compensation figure for prior to the end of May (70 yuan times 30 percent equals 21 yuan), 80 percent from 1 June until the end of June, 100 percent from 1 July to the end of August, and 30 percent from 1 September to the end of September. Second, partial loss stipulates that: 1) Plants are calculated from shoots, and mu are calculated from plants and applied to the sequence for total loss compensation once the sum of losses is calculated. 2) Jin are calculated from cotton bolls lost by falling off, and value determined from jin and applied to the sequence for total loss compensation once the sum of the losses is calculated. 3) A loss ratio is set by determining losses by sampling, and applied to the sequence for total loss compensation once a sum of the losses is calculated. 4) Compensation is fixed by ratio when the destroyed area exceeds the number of mu insured.

Duties of the Insured: After joining cottonfield insurance, the insured still should carry out the following duties: 1) the insurance premium must be paid once and in full prior to the beginning of insurance; 2) positive efforts at salvage should be made, losses minimized, and the insurance company notified immediately to facilitate prompt survey and handling after insured cottofields suffer losses by a hail disaster. If the insured do not perform the above duties, the insurance company has the right to terminate its insurance responsibilities or refuse compensation.

13152/7051
CSO: 4007/207

BRIEFS

HEBEI PEASANTS INCREASE INCOME--According to a sample survey by the provincial Statistical Bureau, the income of peasants throughout the province has increased day by day and their living standards have generally improved. In 1985, the average per-capita net income of peasants throughout the province reached 385 yuan, an increase of 40 yuan or 11.6 percent over 1984. Each peasant spent an average of 297.6 yuan on living, an increase of 54.4 yuan or 22.4 percent over 1984. Expenditures on material goods, such as food, clothing, daily necessities, accommodation, and fuels increased comprehensively. The amount of household durable goods owned by peasants increased remarkably. By the end of 1985, every 100 households owned an average of 143 bicycles, 71 sewing machines, 133 watches, 17.5 television sets, 4 cassette recorders, 3.9 washing machines, and 5.9 electric fans. [Text] [Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 14 Feb 86 SK] /12232

HEBEI AFFORESTATION ACHIEVEMENT--Shijiazhuang, 6 Mar (XINHUA)--In the 3 years since 1983, the people of Hebei's Taihang Shan area have afforested 6.5 million mu of land. In addition, they have planted 210 million trees on odd pieces of land around houses and villages and along roads and waterways. The Taihang Shan area in Hebei Province involves 28 counties in Handan, Xingtai, Shijiazhuang, Baoding, and Zhangjiakou prefectures, with a total area of some 30,000 square kilometers. [Summary] [Beijing XINHUA Domestic Service in Chinese 0010 GMT 6 Mar 86 OW] /9738

CSO: 4007/319

FLAX PROCESSING URGED

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 7 Dec 85 p 4

[Article by Xiang Chen [5046 2525]: "Flourishing Township and Town Flax Processing Industry"]

[Text] Flax is an annual herb. After physical and chemical treatmemt, its fibers can be spun into yarn and woven into cloth. When blended with wool, fibers, or cotton, it has the qualities of being cool, holding its shape, elegance, durability, and quick-absorbence of water. Therefore, clothing, furniture coverings, sheets, towels, napkins and handkerchiefs made from it have been very popular in foreign markets.

Heilongjiang is the key flax producer in China, producing 90 percent of the entire national output. In recent years, the area planted in flax has continually expanded, and there has been a corresponding increase in township and town plants processing flax fiber. But because almost all of the products are exported, it is limited by changes in the international market, and for a time there was a slump. In some areas, processing plants have had to close down because they could not market their products, thus dampening the peasants' enthusiasm for growing flax.

In order to take advantage of Heilongjiang's excellent flax resources, the provincial Township and Town Enterprise Bureau, the China General Trust Co. and Lanxi County have collected 16.5 million yuan in funds to build in Lanxi County, a flax-producing area, a 5,000-spindle fine linen textile mill; several linen-cotton processing plants have also been built; annual production of fine linen is 2 million meters, worth $12 million and making a profit of $6 million. The annual production of linen-cotton is more than 3,000 tons, worth $4 million. At the same time, township and town plants processing flax fiber have been consolidated and developed. Some of the flax fibers produced in these plants are given to textile mills for production of fine cloth, all of which is exported; some short fibers are supplied to township and town linen-cotton plants for processing linen-cocton. This has broadened the markets for flax fibers and linen textile mills are again thriving and growing. They have grown from more than 80 in 1982 to the current 122. The development of flax processing also promots flax cultivation. At present, acreage has returned to the 1.3 million mu of 1980, the historical high. Development of flax cultivation also guarantees and promotes the growth of

flax processing. The Lanxi linen textile mill, now being enlarged, is growing in the dirction of intensive procesing of linen suits, drawnwork, and embroidery. Currently flax cultivation and marketing in Heilongjian are being integrated into a system, becoming a bulwark of township and town enterprises. The annual output value of more than 38 million yuan and profit of more than 5.5 million yuan account for 16 and 18 percent, respectively, of township and town light industry output value in Heilongjiang.

12919/13104
CSO: 4007/181

LOWER FERTILIZER PRICES, OTHER STEPS HELP FARMERS

Beijing RENMIN RIBAO in Chinese 14 Dec 85 p 1

[Report by Jing Bo [2529 0590]: "Burden for Henan's Farmers Reduced and Service Links Strengthened; Pragmatically Protect and Encourage Food Production Enthusiasm"; based on 13 December XINHUA Zhengzhou City wire]

[Text] While Henan Province has continued to lead expansion of full-scale readjustment of the overall rural industrial structure, attention has been paid in the second half of this year to survey studies and the selection of positive measures for protecting and encouraging farmer enthusiasm for grain production.

Henan farmers took additional steps this year to readjust the industrial structure on the basis of market needs, and further rationalize grain and cash-crop acreage. Farmers in many districts are gradually switching from hanging onto grain production alone over to also operating or specializing in trades in industry, commerce, transportation, construction, mining, and so on, and there has appeared across the great expanse of agriculture villages the prosperous new presence of a myriad of enterprises. However, in some districts farmer enthusiasm for farming is not high. The reason is that, when calculated on the basis of economic profits, income from industry and commercial work is higher than for farming. Reform of the unified purchasing system for agricultural products and implementation of the state buying grain from farmers according to fixed levies were initially good for farmers, but, following price increases in fertilizer and the other means of production used by farmers, farmers actually have benefited little. From all quarters, hands reach out and quotas and extractions are made arbitrarily; the farmer is overburdened. Commodity circulation is obstructed and information stale, and service for agriculture before and after production cannot keep up.

These factors affect the enthusiasm for farming of a portion of the farmers and has lowered investments in the land. Basic farmland construction has been neglected, operation is slipshod, and in different districts land has even been left uncultivated.

Facing up to this new situation, the Henan Provincial CPC Committee and Provincial Government quickly called together the relevant provincial departments about the problem of how to protect and foster farmer enthusiasm for farming, and held a seminar to talk about it. At the same time they reminded various

prefecture, city, county, and township leadership organizations to be certain to pay attention to solving this problem.

The main measures they adopted were:

To start with the facts and still take agriculture development as a major foundation of economic development for the whole province's citizens. In ideological leadership, it is necessary to sustain steady growth in grain production, and pragmatically protect the national economy's continued, coordinated, and balanced development. Under this precondition, the internal production structure will be further rationalized, and daily increases realized in society in material wealth by developing cash crops and forestry, animal husbandry, and aquatic and other small animal-raising industries according to market demand, natural conditions, and what suits particular localities.

Strengthening and improving service links in agricultural production will in many ways create the conditions for farmers to grow grain crops. In the last half of this year, Henan Province agriculture departments of all levels have trained up to 3.7 million farmers by organizing technical explanation and publicity groups, establishing technical consultation offices, and sponsoring technical training classes and on-site demonstrations, and also solved many technical production problems by printing and distributing more than 5 million copies of various kinds of technical materials. Before sowing winter wheat, various areas energetically launched the work of purchases of good seeds and careful selection and supply, and also organized farmers to make up surpluses and shortages among themselves.

Lowering grain-production costs by suitably adjusting prices for chemical fertilizer and other agricultural production materials downward provides the farmer with solid benefits. The Henan Provincial Supply and Marketing Cooperative and its affiliated organizations and many chemical fertilizer factories have in this fall's planting season generally lowered the cost of chemical fertilizers being used in agriculture by about 10 percent. Because chemical fertilizer prices have been adjusted downward, grain-production costs have dropped. Farmers can see the material benefits, all are willing to make an effort to do a good job of cultivating the land, and chemical fertilizer sales have increased.

Many rural villages promote the use of industry to supplement agriculture, use industry to carry agriculture, carry out economic fine tuning, and effectively mobilize the enthusiasm of farmers to do a good job at grain production.

Energetically eliminating unreasonable farmer burdens protects farmer enthusiasm for doing a good job at grain production. The Henan Provincial Party Committee and Provincial Government have requested many times that party and government leadership departments of all levels start with themselves, and fully and conscientiously inspect the compounding of the problem of arbitrary levies, extractions, fines, and so forth. Whatever was unreasonable that can be returned certainly should be returned to the farmer and what cannot be returned is to be handled with purdence and tact. Many cities, prefectures, counties, and townships have all carried out the concrete decision to reduce farmer burdens. Lushan County is retrenching its village organizational structure. It has reduced the village organization cadre from an original 11,587 down to 5,473, and lowered farmer burdens by 1.87 million yuan.

HENAN OFFICIAL SAYS 300 MILLION SAPLINGS UNUSED

HK280439 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 25 Feb 86

[Excerpts] This morning, (Wang Tixin), deputy director of the provincial Forestry Department, told reporters by telephone that at present some 300 million saplings are still left idle in sapling nurseries. He urged the leadership and forestry departments at all levels to attach great importance to the matter. They should promptly take measures to thoroughly solve this problem.

It is learned that over the past 2 years, the province has rapidly developed the cultivation of saplings and supplied a large amount of quality saplings for afforestation. However, because more and more individuals engage in the trade of their own accord and there is a lack of coordination, the supply of some kinds of saplings has become excessive. After accomplishing the 1985 plan for afforestation and up until now, the province still has some 300 million saplings lying idle in nurseries. As the afforestation season has arrived, the task of handling these saplings is urgent.

Some local leaders said that nobody had forced them to cultivate so many saplings and that now they had got what they deserved. This is an irresponsible statement and a manifestation of bureaucratism. In fact, if we do not promptly plant the 300 million saplings, they will be wasted and become firewood. Assuming that each sapling costs 0.2 yuan, the province will suffer a total loss of 50 to 60 million yuan. The most important point is that if we use them as firewood, we shall burn up the peasants' initiative in growing trees or even cause some households specializing in cultivating saplings to become bankrupt.

In the telephone interview, Deputy Director (Wang Tixin) said: The province still has many barren hills and open spaces next to farmland awaiting afforestation. There is also some farmland suitable for growing wood. So long as the leadership at all levels attaches importance to the matter and strengthens its leadership, the excess saplings can be put to use, can be used to promote forestry production, and we can make new progress in the first spring of the Seventh 5-Year Plan period.

/12232
CSO: 4007/316

BRIEFS

HENAN PEASANTS PER CAPITA INCOME--A sample survey of 4,200 peasant households in the province's 42 counties shows that the per capita net income of the peasants in the province for 1985 was 328.6 yuan, an increase of 13.1 percent over 1984. The number of peasant households whose per capita income was less than 200 yuan decreased by 4.1 percent over 1984, and the number of peasant households whose per capita income exceeded 500 yuan increased by 3.5 percent over 1984. [Summary] [Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 5 Mar 86 HK] /12232

CSO: 4007/315

BRIEFS

HUBEI AGRICULTURAL, FISH PRODUCTION--Wuhan, 10 Mar (XINHUA)--Hubei's total grain output in 1985 reached 44.3 billion jin. Its total cotton output last year reached 9.84 million dan, while its total output of oil-bearing crops was an all-time high. Output of hemp and flax increased by 100 percent over the previous year. Total output of freshwater fish reached 740 million jin, 170 million jin up from the preceding year. [Summary] [Beijing XINHUA Domestic Service in Chinese 0747 GMT 10 Mar 86 OW] /9738

CSO: 4007/317

HUNAN BOOSTS FOOD INDUSTRY PRODUCTION

OW030730 Beijing XINHUA in English 0651 GMT 3 Mar 86

[Text] Changsha, 3 March (XINHUA)--Hunan, one of China's leading agricultural provinces, is boosting the food industry to make full use of its local resources.

An official in charge of the provincial food industry said today the output of rice, pigs, aquatic products, tea and citrus ranks among the first in the country.

The 22,000 food-processing factories in Hunan yielded a total output value of 4 billion yuan last year, accounting for 17 percent of the province's total industrial output value.

A number of their products are sold to Japan, and Southeast Asian and Western European countries.

The provincial government plans to expand the food industry to generate 7 billion yuan of output value a year by 1990, up 70 percent over 1985.

To accomplish the goal, the province will select 12 counties as experimental units to lead the whole province in the development of this industry. Priority will be given to these counties in funds, techniques and equipment.

Aided by the state, peasants in Jiangyong County, south Hunan, have set up 15 factories to make candy, pastry, soft drinks and other beverages.

More than 500 households specializing in fruit processing in Xupu County processed 73 percent of the county's 15,000 tons of fresh fruit last year, enabling 100,000 fruit producers to earn an extra 200 yuan per head.

/12232
CSO: 4020/242

BRIEFS

HUNAN GRAIN PRODUCTION--Changhsa, 9 Mar (XINHUA)--Hunan's total grain output in 1985 reached 50.2 billion jin. Each year, Hunan can supply 10 billion jin of marketable grain to other places. This year, the state has reduced Hunan's grain purchase quotas. The Hunan Provincial Party Committee and the provincial government have decided to purchase 8 billion jin of unprocessed food grains by contract, 1.6 billion jin less than last year. In addition, Hunan plans to plant hybrid rice on more than 23 million mu, 3 million mu up from last year. Currently, the province's spring grain crops on 5 million mu and rape on 7 million mu are doing well. [Summary] [Beijing XINHUA Domestic Service in Chinese 0048 GMT 9 Mar 86 OW] /9738

CSO: 4007/319

VICE-GOVERNOR ON IMPROVED GRAIN PRODUCTION

Beijing NONGMIN RIBAO in Chinese 24 Dec 85 p 3

[Article by Ling Qihong [0407 0796 7703, vice-governor of Jiangsu Province: "The Appropriate Scale of Grain Production Operations"]

[Text] In the course of developing the rural economy, there are some places now that have "every family engaging in agriculture, and sideline industry; every household is small and self-sufficient." This has led to some peasants paying attention to maintaining production only to meet their own grain needs and not working hard on contracted fields that will supply commerical grain. The investment put into these fields has dropped correspondingly, management has been lax, and soil fertility has been reduced. If this continues, it not only will be harmful to the stability and improvement of agriculture and to the transformation of agricultural technology, it will also be harmful to the two transformations in agriculture. In order to hasten the continued growth and improvement of agriculture, questions should be raised concerning the appropriate scale of agricultural operations in some districts where the commerical economy is highly developed and the original agricultural base was relatively solid.

I. Appropriately Scaled Grain Production Operations Are an Effective Means for Improving Agricultural Production Benefits, Are Necessary for the Implementation of the Two Transformations, and Are Strongly Hoped for by the Masses

In some districts in southern Jiangsu, there has been experimental implementation of many different kinds of appropriate-scale agricultural operations. The general outlines of these forms are as follows: one kind involves cooperative farms, represented by Changshu's Qinnanxiang's Yuanhecun; one kind involves the unification of agriculture and industry in "agricultural shops," which have been established in small town enterprises in Wuxi, Changzhou, and other places; one kind involves the union of specialized production and socialized services in the form of specialized grain production households (also called family farms), etc., as represented in Wuxi's Dongpengxiang and Yuqixiang's Rongnancun. The results of these practical experiments show that no matter what the particular form is, all share the following positive points: 1. Management standards are raised; economic benefits are increased. For example, 70 units of labor power were dedicated

to the management of 529 mu of fields in Wuxi's Yuqixiang's Rongnancun. Per-mu grain yields were about 100 jin higher than those on self-supply grain fields tilled by agricultural households than were engaged in other pursuits.
2. Labor productivity and the rate of commercialization are increased. Two peasant households in Wuxi's Yanqiaoxiang contracted in 1984 for operating 56 mu of grain fields as family farms. That year the produced over 1,000 jin per mu to sell as commercial grain; the commodity rate was 89 percent.
3. The income produced from agricultural labor is effectively increased, solving the conflict in terms of differing economic returns between industrial labor and agricultural. In Changshu's Qinnanxiang, 4 female Communist Party members led a labor force of 18 (only 1.6 percent of total labor force) in establishing a cooperative farm. According to the contract, each person engaged in agricultural work was permitted to earn more than 1,000 yuan, exceeding the average per capita income of those engaged in industrial labor in the same locality. The increased income from agricultural labor has effectively changed the tendency to "abandon farming." What in the past were "millstone fields" have now begun to do well. This has spurred the peasants to put more into the fields, employing advanced agricultural science and technology and modern facilities.

It can be seen from the experiences of these places that there should be certain preparatory conditions for appropriately scaled agricultural operations. Aside from the need for the agricultural households to be highly self-conscious, surplus labor must be transferred effectively, agricultural mechanization must be coordinated, and socialized services must follow. The scale of operations should accord with the varying degrees of the above-mentioned factors. If these factors are not prepared first, then conditions will not be suitable for appropriately scaled agricultural operations.

II. An Important Element in the Development and Consolidation of Appropriately Scaled Grain Production Is the Strengthening and Perfecting of the Agricultural Services System

Experience shows that once household operations are the principal form in agriculture, it is very difficult to raise the technical standards in agriculture and the operational benefits of socialized services do not keep up. Developing appropriately scaled agricultural operations needs a strengthened and perfected agricultural socialized services system. If work in this area falls behind, it is impossible to speak of developing appropriately scaled agricultural operations. Even if the operations somehow are started, in the final analysis they cannot be consolidated.

Strengthening and perfecting the agricultural socialized services system encompasses not only agricultural machinery and technology, irrigation, crop protection, and seeds, it also should include agricultural supplies, circulation, and other aspects. That is to say, whatever difficulty the operational unit (including just one family) will encounter in the course of operations and needs help in overcoming should be addressed according to the union of centralization and decentralization. Sometimes centrally, sometimes decentrally, ways should be found to offer support and solutions so that the peasants need not worry about such matters.

Strengthening and perfecting the agricultural socialized services system also involves expanding the scope of services. Developing appropriately scaled agricultural operations is not only a matter of quantity, even more importantly it also is one of quality. "Quality" refers to desperately awaited new development projects. New, special, superior quality, or rare varieties that have their own unique characteristics should be worked on. There should be active research on and extension of appropriate technology that saves labor and capital and increases production. There should be further advances in improving rates of labor productivity and of commercialization and in improving yields, quality, and economic returns. By improving the quality of services, reducing the costs of services, and giving the peasants reasons to feel that engaging in specialized service activities is more beneficial economically than working on their own, then peasant interest is self-managed operations will be further spurred.

Looking at the present agricultural service system in rural Jiangsu, the key is to strengthen the township and village levels. These two levels are the base and directly supply face-to-face services to operators (including peasant households). The agricultural service system will be truly strengthened and solid only if the service system is well established at the township and village levels. On one hand, the broad masses must be given high quality services that peasants feel that they need and service personnel must be supported in providing specialized services. On the other hand, the renumeration of specialized service personnel must be improved. Their social status must be improved in order to spark their full energies and creativity in agricultural service work.

III. The Active Development and Extension of Appropriate Agricultural Machines is the Key to the Development of Appropriately Scaled Grain Production Operations, as Well as to the Gradual Transition Toward Specialization, Commercialization, and Modernization

With the development of the commerical economy, the expansion of appropriately scaled specialized production based on household operations becomes increasingly important to the requirements of agricultural mechanization and modernization. Especially in the economically most developed districts, where large numbers of the strongest laborers in the villages have shifted to non-agricultural pursuits and the laborers who remain engaged in agriculture are few and not as strong, there is a particularly pressing need to supply them with socialized services. These socialized services must rely primarily upon agricultural machines if labor requirements are to be reduced and labor productivity is to be raised.

Looking at the present situation in Jiangsu, in recent years there has been a large increase in total agricultural machinery horsepower, but the variety and specifications of the machines themselves remain very limited. Few tractors have accessory attachments. Seed drills and trench diggers are far inadequate to need. Up to the present there still are virtually no planters, harvesters, and processing machinery for special varieties of high quality rice and for special kinds of cash crops. This is not appropriate for rural development. This situation will affect the development of, and benefits

derived from, appropriately scaled operations. Production bureaus must shift their emphasis in agricultural engineering scientific research from motive power to all varieties of machine accessories and to the planters, harvesters, and other machines that agriculture desperately needs. At the same time, corresponding with this shift, relevant departments must provide the necessary material resources needed and assist the research with materials, motive power, and funds.

During the course of agricultural mechanization, collective or joint operations should be promoted actively so as to meet the service needs of the broad mass of agricultural households and to aid in the development of appropriately scaled agricultural operations. At the same time, the already existing specialized machinery teams and specialized households should be organized in such a way as to provide truly practical service.

IV. Industrial Support of Agriculture, Improvements in Agricultural Materials, Technology, and Equipment Are the Material Foundation for Developing Appropriately Scaled Grain Production Operations and Establishing a Strong Agricultural Base

Developing appropriately scaled agricultural operations and establishing a strong agricultural base require improved agricultural materials, technology, and equipment, and this requires substantial investment. Wuxi's Hongqixiang did some calculations. Merely mechanizing production of the primary crops of rice and wheat, the basic work on the fields, implementing the "three secrets" (for irrigation, drainage, and rainfall), and providing for accompanying work on canals, forests, and roads would require an investment exceeding 3,600,000 yuan per mu. This kind of enormous investment is beyond the capabilities of individual peasant households. It also is beyond the capabilities of savings within the agricultural sector. At a time when state funds are too limited to be able to provide large investments, the most effective means is realizing the internal potential in developing rural enterprises and having industry support agriculture.

Industry support of agriculture is not merely needed for developing agriculture, it also is needed for the development of the rural industries themselves. The rapid start and expansion of rural industries in the past has been inseparable from the rapid development of agriculture. Now rural industries must coordinate development with agriculture and sideline industries if they are to continue to develop and solidify their base. Appropriately scaled agricultural operations provide workers in rural industries with agricultural and sideline products at low prices and with high quality. Also, some "commerce-industry-agriculture" units can supply rural industries with some raw materials. When agriculture is modernized, it will be able to provide rural industries with even more labor power. So industry support of agriculture helps the coordinated development of a material foundation for the "three sectors." Support funds for agriculture should no longer be directed primarily into product and distribution subsidies. Consumer subsidies should be replaced by funding that expands reproduction. Subsidies should be given to agricultural equipment, to strengthening the agricultural services system, and to farmland capital construction. small amounts of funds can also subsidize the prices of agricultural and sideline goods that are in great demand.

Implementation of the development of appropriately scaled agricultural operations should be active and reliable. "Active" refers to creating the necessary conditions, using set demonstration sites to obtain experience, and using models to provide guidance. "Reliable" refers to placing emphasis on and controlling the preparatory conditions. Implementation should be realistic and not overly hasty. In conclusion, where the necessary conditions exist in those areas where the overall agricultural economy is highly advanced or in those districts where the agricultural base is fairly good, these places should actively build models of wealthy socialist villages, with advanced industry and agriculture and thriving sideline industries.

12994/12948
CSO: 4007/240

STIMULATION OF PEASANT ENTHUSIASM FOR FARMING URGED

Nanjing XINHUA RIBAO in Chinese 26 Nov 85 p 1

[Commentary: "Raise Peasant Enthusiasm for the Management of Arable Land"]

[Text] The cooperative farm established in Yuanhe Village, Qinnan Township, Changshu City is a useful attempt to further perfect and develop the output-related rural responsibility system. It is a bold attempt to accelerate specialization, large-scale commodity production, and modernization of agricultural production. It is also an effective way to increase peasant enthusiasm for management of arable land.

Promotion of the output-related responsibility system has greatly stimulated peasant enthusiasm for land management. Agricultural production has undergone unexpected development. Recently, however, some farmers in areas where the commodity economy is relatively well developed have lost their feeling for the land, and their enthusiasm for land management has decreased. They consider their assigned land to be a burden. The fund and effort put into the land continuously decrease, and they either ignore it completely or fail to manage it after planting. Although this problem has just begun to appear in certain local areas, it must receive adequate attention.

Why has peasant enthusiasm for farming decreased in those areas where the commodity economy is relatively well-developed? The main explanation is the low profit derived from land management compared to industry and nonfarm management. A typical survey in Jiangsu Province showed that the return from an average agricultural working day is 2.61 yuan while that from sideline industry is 3.57 yuan and that from industry is 17.09 yuan. In areas where the commodity economy is well-developed, the proportion of total family income derived from farming has steadily decreased. When, therefore, the state cannot increase its subsidies for the agricultural price system, the most fundamental way to increase peasant enthusiasm for land management is to increase agricultural productivity and profits from land management. This will insure that the value created in agriculture, especially in grain cultivation, will not be lower than that in other sectors. The cooperative farm established in Yuanhe Village provides a relatively good example in this regard.

In order to increase agricultural productivity and profits from land management, we must attempt to stimulate the specialization, socialization, and modernization of agriculture and create a highly efficient and profitable agriculture. There are more people and less land in some areas where the economy is well-developed. Land assigned to farmers is too scattered, and management is small-scale; therefore it is hard to increase profits. While implementing the output-related responsibility system we must adequately expand the assigned land so that farming will gradually be concentrated in the hands of experts. Gradual implementation of agricultural specialization, commercialization, and modernization has become an urgent requirement for farmers in areas where the economy is well-developed. Beside the cooperative farm of Yuanhe Village, Rongnan Village in Yuhao Township, Wuxi County has also had relatively good experience in this area. Village land, mulberry orchards, and water resources were formerly assigned according to a family's labor force. Beginning with last summer's planting and after people's discussion, this village began to contract with a few farming experts. As a result, average grain production per specialized farming household exceeded 11,000 jin, an increase of almost sixfold. Average cost per mu was reduced about 9 yuan, the commodity rate increased from 26 to 63 percent, and the average yearly income has reached about 1,600 yuan. All areas have had many similar experiences. It is clear that improved land-management methods which are adpated to local productivity can rapidly improve production efficiency and increase economic results. Concentration of arable land in the hands of experts, creation of cooperative farms or development of specialized farming households, and appropriate management expansion have not changed the previously implemented output-related responsibility system. These actions have actually perfected and further developed this responsibility system. Establishment of cooperative farms and development of specialized farming households requires adequate leadership and resources, the willingness of the general public, and the proper local situation. Trial experiments are necessary to demonstrate their effectiveness. We must not act on the spur of the moment and without proper preparations. Furthermore, we must not proceed against the people's wishes, force them to act, or create an appearance without substance.

In order to establish highly efficient and profitable agriculture, we must help farmers change production technology. The value created by agriculture is less than that created by either industry or subsidiary industry. In addition to prices, another very important factor is the backward technology used in agricultural production. Production efficiency is very low, and much agricultural work still depends upon either manual or animal labor. Therefore, the establishment of highly efficient and profitable agriculture requires changes in production technology and utilization of agricultural machinery. Some specialized farming households have obtained obvious savings of both labor and money by using reduced tillage, direct sowing, chemical herbicides, biological disease-control methods, etc. Reform of agricultural technology and improvement of production efficiency require emphasis on popularization and application of advanced technology by all leadership levels. In particular, the current economic resources of the community must be fully utilized, and their contribution to agriculture must be increased. Minor adjustments of the community's internal economy must be made in those areas where township

enterprises are relatively well-developed, and the following policies, "use industry to mend agriculture" and "use industry to establish agriculture," must be implemented. This means that a portion of the profits from township enterprises should be used to purchase agricultural machinery or to improve irrigation systems. Helping farmers improve their working conditions, reducing hardships, and improving production efficiency all create the conditions required for expansion of management and improvement of economic results.

Establishment of highly efficient and profitable agriculture and improvement of peasant enthusiasm for farming require emphasis on social services and help for farmers to overcome difficulties. Examples of such difficulties include understanding market communication, selective breeding of high-quality varieties, supplies of highly efficient chemical fertilizers and herbicides, manufacture and purchase of multipurpose and highly efficient agricultural machinery, and the sale and conversion of grain and cotton-oil products. The quality of these services directly affects the economic results of farm management. When we talk about the principles of using agriculture as the foundation and strengthening leadership of agricultural production, these services must be good and actually help farmers to solve all types of problems facing them.

13015/9435
CSO: 4007/204

BRIEFS

COASTAL SHELTER BELT--In the past few years, 1.6 million youths in 3 cities and 12 counties in Jiangsu's coastal areas have positively responded to the provincial government's call to build a coastal shelter belt. So far, they have planted more than 31 million saplings to form a 4,800-kilometer-long belt along the coast. [Summary] [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 26 Feb 86 OW] /12232

AFORESTATION WORK --Jiangsu Province scored notable results in afforestation during the Sixth 5-Year Plan by popularizing the responsibility system in forestry production. According to statistics, there are over 8,000 specialized households in the province who contract to plant trees on barren hills. In the past 5 years, a total of 1.6 million mu of land throughout the province was afforested or reforested, thus expanding the province's forest cover from 6 to 8 percent. [Summary] [Nanjing XINHUA RIBAO in Chinese 27 Feb 86 p 1 OW] /12232

AGRICULTURAL PRODUCTION MEANS--The supply and marketing departments of agricultural materials in the various localities in Jiangsu Province are actively making efforts to allocate agricultural materials for spring farming. By early March, the total output value of agricultural materials supplied in the province exceeded 100 million yuan, an increase of 12.2 percent over the same period of 1985. In the same period, the supply of chemical fertilizers and small farm implements grew by 3 and 20 percent respectively. [Summary] [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 11 Mar 86 OW] /9738

FURTHER AFFORESTATION WORK--Gratifying results have been scored in greening Jiangsu Province since the issuance of an appeal by the provincial government to plant more trees. By 5 March, the province had afforested 220,000 mu of land, reafforested 1.4 million mu of forest, as well as planted trees along 1,300 kms of highways, and over 50 million trees near villages, along roads and streams, and around houses. [Summary] [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 11 Mar 86 OW] /9738

CSO: 4007/317

JIANGXI PLANS FOR GRAIN, EDIBLE OIL PROCUREMENT

OW090354 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 7 Mar 86

[Excerpts] Recently the Provincial People's Government issued a circular urging that, prior to the start of spring farming, all localities make proper arrangements with peasant households and other production units for fulfilling this year's grain and edible oil procurement tasks. For this purpose, purchase contracts should be signed so that they may be used as guidance for making production plans toward the goal of achieving a bumper harvest this year.

The circular of the Provincial People's Government contains the following points:

1. The quantity covered by purchase contracts should be cut to an appropriate extent. In 1986 the province's grain purchase by contract should be 30 percent less than that in 1985.

2. Arrangements for fulfilling the edible oil procurement task should be made with peasant households and other production units simultaneously with the grain procurement task.

3. Peasant households and other production units that have signed contracts may buy low-priced chemical fertilizers and may be given agricultural loans on a priority basis.

4. The proportion of negotiated purchase in the total grain procurement plan should be increased. Negotiated purchase quotas should be assigned to counties and cities along with the contract purchase quotas.

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CSO: 4007/317

BRIEFS

JIANGXI GRAIN PLAN OVERFULFILLMENT--Nanchang, 9 Mar (XINHUA)--By the end of February, Jiangxi had purchased 3.4 billion kg of grain, including 2.75 billion kg purchased according to contracts, and overfulfilled its grain purchase plan. Currently, the authorities are purchasing grain at negotiated prices. [Excerpts] [Beijing XINHUA Domestic Service in Chinese 0045 GMT 9 Mar 86 OW] /9738

JIANGXI GRAIN PURCHASE--By 5 March, Jiangxi had purchased and stored 3,526,000 metric tons of marketable grain, 7 percent over the target set for the 1985 grain year. [Summary] [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 9 Mar 86 OW] /9738

CSO: 4007/317

JILIN HOLDS CONFERENCE ON FARMING PREPARATIONS

SK100840 Changchun Jilin Provincial Service in Mandarin 2200 GMT 8 Mar 86

[Text] On the afternoon of 8 March, the provincial agriculture department held a telephone conference on farming preparations to sum up the work done in the former period and to make new arrangements for the next period.

At the conference (Zhou Jichang), director of the provincial agriculture department, delivered a speech in which he stated: Farming preparations in the former period throughout the province achieved smooth progress and created a good situation, becuase various localities earnestly relayed and implemented Document No. 1 issued by the central authorities and the spirit of the rural work conference sponsored by the provincial CPC Committee and of the provincial agricultural work conference. It was also because they paid attention to grasping the readjustment of the rural production structure, holding rural training classes on agricultural technology, making preparations for material sources, and in particular to dealing with the two prominent problems of giving a helping hand to poor households and making success of cultivating waterlogged lowland. In dealing with the two problems, they have concentrated their efforts and scored better achievements. However, some current problems that need to be dealt with urgently are as follows: 1) The progress of sowing seeds is slow; 2) the progress of holding technical classes is slow; 3) the progress of implementing the agricultural measures among the households is slow; and 4) the attention paid to readjusting the crop structure and making arrangements for each crop is not sufficient.

In his speech he stressed: Only 1 month remains before the start of plowing farmland, in which the work of implementing among the households the eight policies set forth by the provincial CPC Committee and the provincial people's government with regard to encouraging peasants to engage in grain production, the fixed-quota contract system of purchasing farm and sideline products, the planting plans, and the measures for supplying means of production, repairing farm machines, and for increasing output brooks no delay. The agricultural departments at all levels must further enhance their understanding on the work, foster high standards, and must set forth strict demands in order to complete farming preparations by the end of March.

In his speech, he urged various localities to further do a good job in readjusting the cultivated acreage of various crops, paying attention to both economic returns and ecological results, and making good arrangements for the proportion of grain crops and each crop in line with local conditions. A good job should be done in realistically conducting the work of seed sowing and treatment, vigorously holding training classes on technology, and implementing measures for increasing output. Meanwhile, attention should be paid to making preparations for the production of special horticultural crops.

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CSO: 4007/319

WATER CONSERVANCY MANAGEMENT IMPROVED

Changchun JILIN RIBAO in Chinese 6 Jan 86 p 1

[Article: "Emphasis in Jilin Water Conservancy Shifts to Management"]

[Text] The overfulfillment of all aspects of the Sixth 5-Year Plan objectives for Jilin's water conservancy construction has brought clear economic and social benefits.

During the Sixth 5-Year Plan, Jilin water conservancy construction conscientiously adhered to the water conservation policy of "strengthen operational management, pay attention to economic benefits." The scale of basic construction projects was reduced and investment was concentrated on projects that were already underway and on outfitting those projects that had already been completed. Utilizing the potential, Jilin completed 13 large- and medium-scale projects of excavating, strengthening, and outfitting water reservoirs at Hailong, Liangjiashan, Erdao, Chongfeng, Chaoyang, and elsewhere. Total water storage capacity has been increased 243 million cubic meters, serving in both flood protection and irrigation. In terms of operational management, emphasis has been placed on fully developing the multipurpose economic benefits of water conservancy projects. Among the 126 state-managed water conservancy management units in the province, 115 have already begun 386 multipurpose management projects, including planting and breeding, industrial and sideline processing, transport and tourism, and others. Total value produced has exceeded 24 million yuan, with 3 million yuan in net profits. One hundred twenty units have achieved self-sufficiency in meeting their own expenses, which greatly reduces the burden on the state and the peasants and increases the autonomy of the water conservancy management units. In the expansion of irrigated fields, there has been good progress made in an area that for many years had not witnessed any. According to statistics provided by the water conservancy bureau, the area of newly irrigated fields in Jilin increased by 976,000 mu during the Sixth 5-Year Plan. There has been an average annual increase of 195,000 mu. There has been development of aquatic production, gradually moving in the direction of many forms and channels, many kinds, and raising top quality varieties. This has greatly increased the quantity of aquatic products produced, and the tasks set out in the Sixth 5-Year Plan have been exceeded by 33.4 percent and a year ahead of schedule. It is expected that total aquatic production in Jilin last year will reach 25,000 tons, almost a

two-fold increase over that of 1980. Because of improved operational management and the implementation of systems involving total control over investment and objective-based contracts, small hydropower construction has grown quickly. During the Sixth 5-Year Plan period, there have been new breakthroughs in solutions to the problem of industrial and potable water shortages, especially in the sanitation problems in the villages and the water shortages for both people and livestock. One million one hundred fifty thousands peasants now have running water. During the Sixth 5-Year Plan, a total of 3.4 million mu of land in Jilin was brought under erosion control, contributing to the development of a good natural environment.

12994/12948
CSO: 4007/240

BRIEFS

LIAONING 1986 WHEAT SOWING--Liaoning Province plans to sow 539,710 mu of spring wheat this year, a more than 200-percent increase over the actual acreage sown to wheat last year. [Excerpt] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 1 Mar 86 SK] /9738

FORESTRY DEVELOPMENT PROJECT--On 4 March, the provincial People's Government held a mobilization meeting in Chaoyang City on breaking ground for the second project of the second phase construction. The construction project is an international cooperative program aided by the (?world grain planning group) and is aimed at controlling soil erosion by planting trees and grass in Jianping County, Beipiao City in our province. The task of the project is, beginning 1986, to plant more than 713,000 mu of trees within 7 years and more than 344,000 mu of grass. The project requires 24 million workdays of labor and is the first forestry construction item undertaken by our country with the assistance of the (?world grain planning group). [Text] [Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 4 Mar 86 SK] /12232

CSO: 4007/316

DEVELOPMENT OF SHEEP PRODUCTION ENCOURAGED

Yinchuan NINGXIA RIBAO in Chinese 8 Dec 85 p 2

[Article by Tian Zhongren [3944 0022 0086], vice chairman of the Animal Husbandry Bureau, Ningxia Autonomous Region: "A Major Effort Should Be Devoted to the Development of Sheep Production"]

[Text] Zhan [2770] sheet is a fast-growing traditional breed that has a long history among the working people in Ningxia. It is the main source of meat for ethnic minorities, and its development should be emphasized.

Since the 3d Plenum of the 11th CPC Central Committee, all rural economic policies have been implemented. The door is now wide open for accumulating wealth, and sheep production in Ningxia has undergone new development. Initial statistics showed that in 1984 there were 150,000 zhan sheep in the area and that meat production exceeded 6 million jin or 42 percent of total lamb production. The population of Wuzhong City is more than 50 percent Moslem and produces about 15,000 zhan sheep annually. Meat production is about 640,000 jin. Sixty percent of Moslem farmers use lambs less than 1 year old, rams 2 to 3 years old, and weak ewes to produce fat zhan sheep. Lingwu County uses the rich pasture resources in the Guan area to encourage farmers to breed zhan sheep. In this way, resources are converted to commodities. All sectors and industries have also given peasants the green light to breed zhan sheep. The county farmers cooperative has abandoned its old policy of not making loans in the fall and is now actively making loans to farmers who breed zhan sheep. In 1984 there were 91,278 zhan sheep in the county, and this created a new opportunity for animal husbandry development in the Guan area. From last September to this April, the county sold 4,000 zhan sheep and 140,000 jin of lamb. The net income after subtracting the purchase cost was 99,200 yuan; average net income per zhan sheep exceeded 24 yuan. In order to reduce the amount of pasture used by animals, Haiyuan County increased the proportion of zhan sheep and the rate of sheep production. All of the more than 700 specialized sheep-breeding households and 2,565 general sheep-breeding households in the county now breed zhan sheep. Yearly production of zhan sheep has exceeded 20,000 animals, double that of 1983. Evidence has shown that the breeding and turnover of zhan sheep are faster and that both meat production and profits are higher.

Ningxia is a Moslem autonomous region, but for a long time lamb supply could not meet the demand. Because people's living standards have increased, current supplies still do not satisfy the demand. Therefore, based on Ningxia's natural conditions, ethnic characteristics, and the needs of the local economy, production of zhan sheep should be emphasized. Where possible, certain areas may fully utilize agricultural byproducts, dry grass and leaves, manmade pasture, and hay in addition to natural pasture resources. If only half of all agricultural households bred 5 zhan sheep per household, there would be 1.4 million zhan sheep in the region. Assuming that the average weight of a zhan sheep is 40 jin, an increase of 15 jin per sheep results in a 21-million-jin increase in lamb production. Because this is 1.5 times the current lamb production, the potential is very great.

The advantages of breeding zhan sheep have attracted the attention of all levels of leadership as well as the general public. The following suggestions have been made to further stimulate the rapid development of zhan sheep production in Ningxia:

1. Strengthen the leadership. Leadership at all levels should emphasize development of zhan sheep production as an important measure in the further structural reform of rural industry and animal husbandry. In those areas that have relatively abundant supplies of grain, farmers should be motivated and organized to fully utilize grassland, manmade pasture, crop residues, leaves, chaff, and debris for production of zhan sheep. The experience of Lingwu County should be publicized. Townships and villages that have the required resources should be selected to establish a production base for zhan sheep. Further support should be provided to form a unified system for production and sale, thereby gradually establishing a complete commodity production system for zhan sheep.

2. Support from all sectors. All sectors should give the green light to farmers who breed zhan sheep. Agricultural banks should issue loans to support those zhan sheep-breeding households that are having financial problems. The department of animal husbandry must actively summarize and publicize advanced models for zhan sheep breeding. It should also publicize the science and technology involved in the breeding and management of zhan sheep, help farmers find a source of sheep, and provide disease-prevention services.

3. Take advantage of the natural situation and local resources. Mountainous areas that have both natural grazing land and abundant manmade pasture and are also suitable for grain production should emphasize development of ewe production. They should increase the reproduction rate, retain good animals and remove poor ones, and increase turnover. In the fall, most rams and the old, weak, sick, or poor-quality sheep should be removed and sold to areas that have abundant feed. In this way, pressure on pasture land can be reduced, death of weak animals during the winter and spring can be avoided, income from sheep breeding can be increased, and a supply of sheep can be provided for areas that are suitable for zhan sheep production.

4. Accelerate development of the feed industry. Feed-processing factories in all areas should increase both the variety and output of mixed feeds.

They must provide a large amount of high-quality mixed feed for farmers who breed zhan sheep, improve the feed-utilization rate, lower the cost of feed, and improve the economic results.

5. Strengthen science and research. There are currently many aspects of zhan sheep breeding that require further study. Examples include the utilization of nonproteinaceous nitrogen compounds such as urea, the use of plant stubble, and interbreeding with sheep raised for their meat. The nutritional requirements of different varieties, ages, and sexes of zhan sheep as well as the appropriate slaughter times also require further study by relevant colleges and research institutes. This will increase the efficiency of zhan sheep production and lower feed consumption.

Feed provided by natural pasture resources has a comparatively high potential at the present time. We must use this opportunity to rapidly develop zhan sheep production. A strong effort must be made to rapidly solve the problem of lamb consumption by ethnic Moslem and Han people and to raise the sheep breeding industry in Ningxia to a new level.

13015/9435
CSO: 4007/204

QINGHAI COMMENTARY ON GRAIN PRODUCTION, DIVERSIFIED ECONOMY

HK060522 Xining Qinghai Provincial Service in Mandarin 2330 GMT 2 Mar 86

[Station short commentary: "Persist in Coordinated Development of Grain Production and Diversification"]

[Text] Document No 1 of the CPC Central Committee for 1986 explicitly points out that we must never relax our efforts in developing grain production and must actively develop a diversified economy. This is the basic policy of the CPC Central Committee guiding this year's agricultural production. The practice of readjusting the province's rural production structure over the past 2 years has proved that the steady growth of grain output is a prerequisite to readjusting the internal structure of agriculture, and an important condition for vigorously developing all economies. In the course of implementing various rural policies formulated by the CPC Central Committee and continuing with the second step of reform in the rural areas, leaders at all levels in the province's rural areas must correctly handle the relationship between grain production and a diversified economy.

On the one hand, we should not merely develop a diversified economy to the neglect of grain production; on the other hand, we cannot lay undue stress on grain production and ignore a diviersified economy. The economic foundation in the province's rural and pastoral areas is very poor. We are thus required, while grasping agricultural production and animal husbandry, to formulate various concrete methods and measures to support peasants and herdsmen in developing a diversified economy, so as to gradually implement the policy of developing industry to supplement agriculture, developing sideline production to breed agriculture, developing industry and sideline production to support farming, and developing economic crops to support grain crops. Only thus is it possible to form a comprehensive production structure with agriculture as the foundation and with combined and coordinated development of a diversified economy, and to promote steady, continuous, and coordinated economic development.

/12232
CSO: 4007/315

PEOPLE, LIVESTOCK SUFFER FROM QINGHAI SNOWSTORM

OW041840 Beijing XINHUA in English 1830 GMT 4 Mar 86

[Text] Xining, 4 March (XINHUA)--More than 34,500 herdsmen have been rescued from an unusual snowstorm in southern Qinghai Province, vice-governor Gabulong said here today.

The 15,000 frostbite and snow blind patients are receiving medical care, he added.

The rescued victims have settled down in make-shift shelters and are provided with food and fuel.

Blizzards started last October, 20 days earlier than usual, trapping the herdsmen--most of them the Tibetan nationality--in mountain grazing grounds spanning an area of 250,000 sq km.

Some 68 medical teams, consisting of 255 doctors, have rushed to the area. "Two persons died in the snowstorm," the vice-governor said.

More than 5,100 soldiers took part in the rescue work. Five hundred tons of food and fuel were dropped from planes and 10,000 tons were rushed into the area by 2,870 trucks with 35 bulldozers clearing the way.

But, the vice-governor disclosed that the snowstorm and the ensuing severe winter took the toll of more than 1 million cattle and sheep, that died from cold and hunger, and 8.7 million hectares of pasturelands are ice-bound to this day.

The snow affected 73,000 people and 3.9 million livestocks, he added.

More snow is forecasted and the rescue work continues.

/12232
CSO: 4020/242

BRIEFS

QINGHAI WATER CONSERVANCY--During the Sixth 5-Year Plan period, the province vigorously developed water conservancy. In the 5 years, the province increased the area of land under effective irrigation by 191,000 mu; expanded and improved 4.75 million mu of grassland; put another 9,225 kilowatts of small hydropower equipment into operation; and solved the problem of potable water for some 698,000 people and 2.04 million domestic animals. [Summary] [Xining Qinghai Provincial Service in Mandarin 2330 GMT 2 Mar 86 HK] /12232

CSO: 4007/315

WATER CONSERVANCY CIRCULAR ISSUED

Xi'an SHAANXI RIBAO in Chinese 15 Nov 85 p 1

[Article by the Agricultural Section, Administrative Office, Shaanxi Provincial Government: "Properly Carry Out Capital Construction in Farmland Water Conservancy This Winter and Next Spring; Provincial Government Issues urgent Circular Calling on Every Locality"]

[Text] On 13 November, the provincial government issued an urgent circular calling on each locality to do a good job in farmland water conservancy capital construction this winter and next spring.

1. Fully recognize the major role of water conservancy in the continued and stable growth of agriculture, and raise the self-awareness of cadres and masses. We must clearly see that flood and drought are still the greatest threats to Shaanxi's agricultural production. Currently the level of farmland water-conservancy capital construction in Shaanxi is still very low, there has been very serious damage to water-conservancy installations, ability to resist disasters is very weak, and the system is unable to meet the needs of continued and stable growth in agriculture. Every level of government should, after learning both the positive and negative lessons from past experiences in water-conservancy work, repeatedly and thoroughly educate the cadres and masses about the thesis that "water conservancy is the lifeline of agriculture" and about the importance and urgency of persisting in carrying out capital construction in farmland water conservancy; clear away misunderstandings, improve awareness, mobilize and organize the broad masses, and organize the broad masses, and quickly start work on winter and spring farmland water-conservancy capital construction.

2. Responsibilities and areas of emphasis. Farmland water-conservancy capital construction for this winter and next spring should focus on restoring water-conservancy installations which have been destroyed. There should be a specific agenda for the determined effort to restore all destroyed channels and most wells, pumps, pipes, station facilities, and hydraulic structures; in addition, engineering projects should be coordinated, so that more than 90 percent of water-conservancy projects will be intact, ensuring winter and spring irrigation. Those places without water-conservancy facilites should, based on local realities and the most appropriate local production, determine the priorities in farmland water-conservancy capital construction. In the

hills and ravines of southern and northern Shaanxi and the Weibei plateau, we should repair and expand the area in the "four fields:" stone-bank terrace fields, level terrace fields, earth-bank fields, etc., and increase the ability to resist disasters and ensure harvests; at the same time, we should strive to expand the area planted in trees and grass, thoroughly promote household contracting for the managmeent of small drainage areas and accelerate the pace of dealing with erosion.

3. Continue to investigate and deal with cases involving destruction of water-conservancy facilites. In their assignment and deployment of forces, political and legal departments should continue to include this problems as one of their major targets in fighting in criminal activity. Areas with a low rate of solving cases should stress investigation and solving of cases, deal with them seriously, and persist in putting an end to this wave of damage to water-conservancy facilities.

4. Vigorously implement and perfect the water-conservancy management responsibility system. In places where it still has not been implemented, hard work should be the basis of making sure that is is organized and implemented this winter and spring. At the same time, we should everywhere establish and perfect township and town water-conservancy service systems, thoroughly strengthening the social service work of water-conservancy management. Water-conservancy management departments, in collaboration with local governments, should stress the formulation of plans reforming the grassroots-management system of large and medium irrigation areas and actively set up test sites, enabling the earliest possible implementation of a grassroots-management responsibility system for every large and medium irrigation area.

5. Earnestly strengthen leadership. The people's government at every level should regard farmland water-conservancy capital construction as an important priority in rural work this winter and next spring, carrying out conscientious deployment, meticulous organization, and strengthened leadership. They should seriously strengthen management of construction, establish and perfect systems for quality control and post-construction, inspection, strive to improve construction quality, guarantee that repair work in one place is completed and brings local benefit, never engaged in just doing things for the sake of form and not make a fancy show of things. Work teams from irrigation and water-conservancy departments, led by leading comrades, should go straight to the frontline to inspect and provide guidance. Departments concerned with finance and materials should give active support, promptly help solve real problems, and guarantee the smooth implementation of farmland water-conservancy capital construction.

12919/13104
CSO: 4007/177

STEADY DEVELOPMENT OF GRAIN PRODUCTION STRATEGIC TASK

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 30, 31 Dec 85

[Article by Wang Jiangong [3769 1696 0501], deputy secretary of the Shanxi CPC Committee: "Ensuring Steady Increases in Grain Production Is a Long-term Strategic Task"]

[30 Dec 85 p 2]

[Text] We recently studied 13 counties (regions) in southern and southeastern Shanxi Province in an effort to discover how to emphasize grain production. Quantitative and comparative analyses were used to estimate current and future grain production with special emphasis on ensuring a steady increase in grain production.

Continue Completion and Implementation of All Economic Policies and Further Stimulate and Protect Farmers' Enthusiasm for Farming as a Route to Wealth

Overall, farmers' enthusiasm for farming has been quite high during the past few years. There has been a tendency, however, toward decreased enthusiasm among quite a few farmers in certain areas. A major reason for this decrease is that farmers no longer farm merely to solve their hunger problem. Grain production is viewed as a route to wealth, and grain farmers make two major comparisons. A horizontal comparison with industry and sideline industry reveals an income disparity that is too great. Their income is also less than that from cash crops. A vertical comparison shows that the cost of grain production has generally increased because of inflation in the price of agricultural production materials, water, electricity, and mechanized farming. Farmers' profits from increased grain sales have been offset.

In view of this situation, we believe that the following measures should be adopted:

1. Perfect and implement the contracted grain-procurement system so that the state's planning and directives for grain production will be closely integrated with the farmers' economic interests. Provincial, regional, and county grain sectors should release their procurement plans as early as possible so that lower levels will have sufficient time to transmit them to the farming households before planting. This will allow farmers time to

arrange their planting schedules. The process of signing contracts with the farmers should be a process that helps them understand and make an overall plan. We should not use old administrative methods again. The contents of the contract should both protect the state's interest and consider the legal interests and reasonable demands of farmers.

2. Adamantly prohibit unjustified inflation in the prices of agricultural production materials and lower the cost of water, electricity, and mechanized farming as much as possible in order to stimulate farmers' enthusiasm. The pricing department should closely supervise wholesale prices of agricultural production materials and the purchase and sales prices of management units. Prices for agricultural production materials can be stabilized by lowering the costs of production departments, avoiding expenses, and reducing the number of links in the supply sector and other sales units. We must ensure that production materials within the plan are available at the standard prices and forbid substitution of higher priced materials. The water, electricity, and mechanized farming sectors must reform their management methods, increase their efficiency, and lower the cost of irrigation water, electricity, and mechanized farming as much as possible by becoming more self-sufficient.

3. Perfect the method of "use industry to support agriculture," decrease the burden on grain farmers, and reduce the income disparity between agricultural and industrial occupations. Grain production has great social significance. When grain prices are stable, it is necessary and logical to implement to "use industry to support agriculture," "use sideline industries to support agriculture," or "use forestry and fruit production to support agriculture." It is also necessary and logical to appropriately adjust income differences between agricultural and industrial occupations within local cooperative economic organizations.

The State, Communities, and Individuals Must Unite in Efforts To Improve Basic Conditions for Agricultural Production

During the past several years, construction of irrigation systems has not received sufficient emphasis in some areas, and not much progress has been made. There are four reasons for this situation: 1) The contracting responsibility system is incomplete. The management system for irrigation construction construction was not properly implemented, and contracting responsibility is unclear. As far as land contracts are concerned, no one evaluated and classified the land, and there was also no clear system of rewards and punishments for land that has either gone up or down a grade. 2) The rural cooperative economic organization is incomplete in many areas, and no one is concerned with the maintenance, repair, or construction of irrigation systems. Funds for such activities are also lacking. 3) Cadres at the county, township, and village levels lack experience in organizing the basic construction of irrigation systems under the new responsibility system which links payment to output by combined households. 4) Investment by the state has decreased too much.

We think that grain production has a particularly important position in the state and people's economy. It is limited by weather conditions, ecological

factors, and biological characteristics. We must, therefore, motivate the farmers and adopt an approach that unifies the efforts of the state, the community, and individuals. Construction irrigation systems must be emphasized, and the basic conditions for agricultural production must be improved. Budgets at all levels should appropriately increase investment in agriculture used for either construction of large and middle-sized irrigation systems or subsidizing construction of small systems. All local cooperative economic organizations should use a certain amount of funds obtained from township enterprise income or other reserves for construction of small and middle-sized irrigation systems. Based upon the principle that those who invest in construction will administer it and receive the profits, we can stimulate farming households to establish irrigation systems themselves. In this way, specialized households or cooperative organizations devoted to small irrigation systems will develop.

We must strengthen land management at the same time that we stress basic construction of agricultural land. We must prohibit random and unauthorized use of agricultural land, strengthen management of contracted land, and establish a record system for land resources. Land will be evaluated every few years to determine whether its grade has increased or decreased, and appropriate awards or penalties will be applied in order to encourage farmers to invest in the land. We must perfect the contract responsibility system for irrigation and improve the irrigation management system.

[31 Dec 85 p 2]

[Text] Adapt to the New Commercialization of Grain Production and Improve Science and Technology, Agricultural Mechanization, Circulation and Information Services

The study and application of new technology (especially the adoption of improved varieties) by a majority of farmers is an effective route to minimize investment, to obtain high yields, and to ensure increased grain production. Currently, the main problems are: 1) Job compatibility, total compensation, and working conditions have caused specialized technological personnel and farming technicians to leave the area, change jobs, or transfer to town enterprises. 2) The service network promoting agricultural technology is incomplete in some areas, and the network has not demonstrated its function. 3) The pace of technological progress is slow. During the past year or two, some of the new technologies being promoted have actually suffered setbacks; for example, there has been widespread mixing of different seeds and loss of germination, an increased tendency for damaging outbreaks of disease and insect infestations, a decrease in the use of ground covers, and uneven promotion of soaking seeds in solutions of trace elements and spray technology. In order to ensure a steady increase in grain production and to establish a foundation for agricultural modernization, all areas should strongly emphasize agricultural science and technology and adopt specific measures to solve the above problems. Research units in agricultural science and technology should refocus their professional direction during the structural reform of science and technology. They should focus upon production at the lower levels and create a new emphasis on the close coordination of science, technology, and production.

In most areas, the amount of agricultural machinery (excluding threshers) has increased quite rapidly over the past few years. This new machinery, however, is primarily used in rural industry/sideline industry or transportation, and the amount which directly services grain production has either remained constant or even decreased. From now on we must act in two areas: first supply more and better services involving agricultural machinery; and, second, actively create the conditions necessary for mechanized farming. Where possible, we could gradually establish agricultural machinery service brigades and implement enterprise-type management. During peak periods they could provide mechanized services for grain specialized households and other agricultural households, while during off-peak periods they could provide services for other sectors. We should maintain the machinery as well as we can and lower the cost of its use as much as possible. We can also develop households to service agricultural machinery from grain specialized households and family-run farms. After they complete their own tasks, they provide mechanized services for neighboring households on contract. We should constantly develop grain specialized households based upon local conditions in order to adequately concentrate land and readjust the land assigned to contract households. Village residents' committees or village cooperative economic organizations should negotiate with farming households to centralize areas devoted to major crops in order to facilitate mechanized farming.

From the perspective of either grain production or the economic development of all rural commodities, circulation and information services are weak points. Every area has suggested that supply sectors should accelerate their reforms, actually begin to provide services for rural commodity production, and demonstrate their primary function. Rural localized and specialized cooperative economic organizations should be strengthened, and horizontal communication and better services should be developed. Within a certain period of time, every level of the grain sector should increase their efforts to effectively carry out procurement contracts and to continuously solve the problem of "difficulties in grain sales." In this way they will obtain experience and formulate a system. Financial sectors should adapt to these developments and increase the circulation of funds. As far as loans are concerned, financial sectors should accurately determine the funds necessary for grain production and those needed for the development of other industries. Their loan policy should be rational, and they should clearly distinguish between major and minor or urgent and deferrable projects. The following groups should further study how to provide information services for farmers--the provincial CCP agricultural research unit, the provincial agricultural development center and agriculture-animal husbandry group, and the agriculture-industry departments and the agriculture-animal husbandry bureaus of every area, city, and county. They should gradually form a complete information network so that they can provide timely and accurate information about market conditions and the progress of the planting plan for farmers.

The Improvement and Appropriate Development of Commodity Grain Specialized Households Will Further the Commercialization of Grain Production and Raise the Level of Science and Technology

Compared to the total number of farming households and the total land under cultivation, the proportion of grain specialized households and their

farming areas in Shanxi is not high at the present time. However, they play a major role in grain production. The decrease of grain specialized households in some areas is only temporary. Development of grain specialized households will require the following: 1) The size of specialized households should be determined by local conditions, and we must not combine smaller units merely to increase the number and size of large households. 2) We must realize that grain specialized households produce more grain but have less storage capacity. Therefore, we must establish reasonable procurement contracts and protect their implementation. "Difficulties in grain sales" among grain specialized households will result in grain spoilage and sales at less than the standard price. "Cheap grain will hurt farmers," and their economic losses are far greater than those of ordinary farming households. We must pay special attention to this problem. 3) We must emphasize service work for grain specialized households. For example, we must provide technical guidance, supply certain circulating funds and reliable commodity information, and ensure an adequate supply of materials and services involving agricultural machinery. 4) We must improve the training and information for grain specialized households, thereby increasing their technical and management levels. In this way, they will become model households in science and technology and can continue to improve their economic results and centralized management. 5) We must promote and assist grain specialized households to either take the route of "planting, cultivating, and processing" or to also become an agricultural machinery specialized household in order to obtain better economic results. Several grain specialized households could be combined, or one specialized household could serve as a nucleus connecting many other farming households. Based upon this type of family land management, they can form a mutually managed, combined organization for cultivation, processing, and agricultural machinery. These actions should be promoted because they benefit the specialized households and also lead to mutual prosperity.

Taking into Account the Entire Economic Situation, We Must Accurately Manage the Relationships Between Grain Crops and Cash Crops, Forestry-Animal Husbandry, and Township Enterprises

Appropriate development of cash crops and strengthened development of forestry and animal husbandry are important for the full utilization of our resources. They are also significant factors in increasing farmers' income, satisfying market demand, accumulating funds for agriculture, and strengthening the agricultural sector. From the standpoint of grain production, two problems arising from the development of cash crops and forestry-animal husbandry require our attention: 1) Planting cash crops, conversion of farm land to forest uses, and alternation of forest and grain crops must be done in a way that ensures a steady increase in grain production. The amount of land used for grain production has been sufficiently reduced and must now be stabilized. As grain production develops in the future, it can be readjusted. Conversion of farm land to forests should be systematic. In some areas the increase in unit grain production is very slow, and total production cannot meet the basic demand for grain. The speed of land conversion should be slower in these areas. We must ensure that there is sufficient land to produce the grain required to satisfy basic demand. 3) From the standpoint of grain

conversion, increasing income, and satisfying market demand, we must adopt efficient measures to accelerate the development of animal husbandry.

Whether the development of township enterprises accelerates or hinders grain production depends upon correct management of the relationship between the two. In addition to the overall improvement and implementation of "using industry to assist agriculture," we should now intensify classified guidance so that township enterprises will be better developed and able to serve agriculture. In areas where mining and smelting are relatively well-developed we must promptly analyze and adequately control their rates of development. Our emphasis should be changed to the development of deep mining. We can transfer a certain amount of funds to assist the development of the food, feed, fruit, animal-products, and timber-processing industries. In most major grain-producing areas, we should emphasize grain conversion and strongly develop the industries for processing foods, feed, and animal products. In those areas where village-run industries are weak or lacking, we should make every effort to develop major village-run industries. Where township industries are relatively well-developed, we must train lower levels cadres to manage both grain production and industries/sideline industries. We must ensure a steady increase in grain production and also stimulate overall development of the rural economy.

13015/9435
CSO: 4007/202

GROWTH IN FEED INDUSTRY CONTINUES APACE

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 7 Dec 85 p 1

[Article by Zhang Ziaojian [1728 2556 1696]: "Township and Town Feed Industry in Tianjian Municipality Beginning To Form a System; Vigorous Support from Leadership Departments, Concerted Cooperation from Relevant Departments; Production This Year Could Be 60 Million Jin of Compound Feed, 10 Million Jin of Additives, Attaining Output Value of 14 Million Yuan; Foundation Laid for Growth in Animal Husbandry and Improvement of Urban and Rural Residents' Diet"]

[Text] After more than 2 years of growth, the township and town feed industry in Tianjin Municipality is beginning to form a feed industry production system characterized by a complete selection of varieties, various serialized lines of high-quality products, and administrative flexibility. At present Tianjin has 36 townships and town compound feed mills, additive plants, and fish-powder plants. This year they may product 60 million jin of compound feed and 10 million jin of additives, attaining an output value of 14 million yuan. These enterprises are propelling growth in rural animal husbandry and making possible improvement of the diet of urban and rural residents; they have become an important force in the development of the rural commodity economy.

The township and town feed industry in Tianjin Municipality started developing in 1983 with 1 million yuan in subsidies from the Tianjin municipal government, which was used to build 20 small township and town feed mills. At the outset, due to poor product quality and lack of outlets, for a time the plants were run at a loss. In 1984, after Central Committee Document No 4 was issued, municipal grain departments supplied every township and town feed mill with 500,000 jin of transferred grain; financial departments provided some of the key feed mills with low-interest loads for use as circulating funds; the municipal agricultural science academy, the feed research institute, and the animal husbandry research institute sent scientists and technicians to help raise the technical level, provide advanced feed formulas, and establish a quality-control system, permitting fairly large increases in the level of management and product quality in feed mills. Starting in 1984 there were gradually breakthroughs in production.

At present, township and town feed mills not only produce chicken feed, they also produce feed for pigs, ducks, and quail as well as bait for fish and shrimp; not only do they produce compound feed, they also produce enriched feed and various additives. Some feed mills are also developing feeds for laboratory animals and for pigeons and dogs raised for their meat. Township and town feed mills are also producing a series of products suited to different periods of growth in farm animals. For example, chickens are classified as meat chickens, laying chickens, and breeding chickens, each with different feed formulas. Meat chickens are further divided into six stages of growth, mixing feed according to different formulas needed at different periods of growth, forming several lines of products which have been strongly welcomed by the great masses of rural animal husbandry specialty households.

Assisted by scientists and technicians, the Dazhangtun township feed mill in Jinghai County has produced a line of compound feed for chicks to laying hens, hog feed, and enriched feed for large and small chickens; because the product quality is good, the feeds have been welcomed by the great masses of specialized households; specialized households within 100 li come in droves, drawn by its reputation. Every month it sells about 1 million jin. This year they plan to realize a profit of 200,000 yuan. The profit realized in 1 year is equivalent to three times the total investment in building the mill.

The Niezhuangzi feed mill in Wuqing County grew from being the producer of a single product line into a service enterprise incorporating incubation, brooding, processing feed, preventing epidemics, and purchasing animal products, thus propelling the growth of animal husbandry. Since last year, this mill has imported more than 50,000 high-quality breeding chickens and this year it has brooded more than 200,000 chicks to be supplied to specialized households. The mill has instituted centralized measures for supplying chicks, raising funds and loans, supplying fertilizer, preventing epidemics, and collecting eggs, thus stimulating the enthusiasm of animal husbandry speciality households. Just in the mill's location, a village of over 2,000 people, there are 80,000 chickens being raised, an average of 38 chickens per person; every person can increase his annual net income by more than 300 yuan. Growth in animal husbandry also promotes growth in the feed industry. From 1984 until September of this year, this mill has created projects worth more than 1 million yuan and earned a profit of more than 100,000 yuan.

12919/13104
CSO: 4007/177

XINJIANG PRODUCES MORE GRAIN, EDIBLE OIL

OW061752 Beijing XINHUA in English 1447 GMT 6 Mar 86

[Text] Urumqi, 6 March (XINHUA)--The Xinjiang Uygur Autonomous Region, which used to purchase grain from other parts of China, is selling at least 300,000 tons of wheat and a large quantity of edible oil to other provinces this year.

An official of the regional Grain Bureau attributed this to the rural economic reform featuring contract production responsibility linking output with reward, which has stimulated peasants' enthusiasm.

The official said the region's harvests of grain, cotton, edible-oil and fruit are sufficient to feed the region's population, with some left over for sale elsewhere.

Although areas for growing grain were cut by 460,000 hectares last year, compared to 1978, the total grain output increased by 1.2 million tons.

Last year, the total output of oil-bearing crops rose by almost 3 times the 1978 figure, cotton by 3.6 times, and watermelons by about by about 2 times.

The amount of grain purchased by the state last year amounted to 1.45 million tons, up from 750,000 tons in 1978.

The official pointed out that the shortage of grain storage facilities has become a major problem in the grain-producing areas of Xinjiang.

While building more storage facilities, the region is transferring about 150,000 tons of grain to Qinghai Province, which was hit by severe blizzards last winter.

Meanwhile, a number of other provinces have sent agents to purchase grain and edible oil from Xinjiang.

/12232
CSO: 4020/242

XIZANG CIRCULAR ON SPRING FARMING, LAMBING

HK060455 Lhasa Xizang Regional Service in Mandarin 1130 GMT 2 Mar 86

[Excerpts] The Regional Agriculture and Animal Husbandry Department recently issued a circular, demanding that all prefectural commissioner's offices and prefectural and city agriculture and animal husbandry bureaus regard spring farming and lambing as the central task of the current rural work and to grasp it firmly.

The circular points out: When the busy spring farming season approaches, many places throughout our region have insufficiently appraised the difficulties and arduous tasks of this year's spring farming work. As the mobility of the labor forces in rural and pastoral areas is great, preparations for spring farming have been very greatly affected. The feelings of unrealistical optimism and the phenomenon of relaxing leadership over spring farming have existed. In view of this, the leaders of all prefectures and cities must promptly take effective measures, do well in agricultural and livestock production in spring, and lay a good foundation for striving for a bumper harvest of agriculture and animal husbandry.

The circular points out: The departments of agricultural machinery, materials, commerce, and transport in all prefectures and cities must make full use of the period before spring farming to vigorously organize forces to do well in supporting, transporting, and allocating to lower levels means of production, including chemical fertilizers; agricultural chemicals; machinery and tools for agriculture and animal husbandry; all drugs for prevention of animal diseases; and vaccines which are urgently needed by the masses so as to guarantee the smooth progress of agricultural and livestock production in spring.

In conclusion, the circular hopes that in accordance with the spirit of the Regional CPC Committee Standing Committee enlarged meeting, party and government organs and leading cadres at all levels, will seriously improve their work style; go deep into the grassroots and realities; go to the production front to exercise face-to-face leadership; strengthen investigation and study; and promptly discover the new situation and solve new problems. They must use their main energy and time to serve agricultural and livestock production and help the masses carry out scientific farming and livestock-breeding.

/12232
CSO: 4007/315

YUNNAN CIRCULAR ON RELIEF, RESCUE WORK IN COLD SPELL

HK090852 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 8 Mar 86

[Text] The Yunnan Provincial People's Government yesterday issued an urgent circular calling on all localities to do a good job in relief work. The circular said: Since 1 March, a cold wave in our province has caused widespread lowering of temperature and brought snow which turned to frost. Statistics show that 16 prefectures and cities and 105 counties and cities recorded light to heavy snow, while an even greater number of counties suffered damage from frost, notably in the major grain producing areas of Kunming, Qujing, Yuxi, Chuxiong, Baoshan, and Dali where there were long periods of continuing drop in temperatures. Crops such as broad beans, wheat, vegetables, rape, rice seedlings, flue-cured tobacco seedlings, fruits, flowers and plants were either frosted or frozen. In some places, livestock even froze to death. Equipment, installations and water pipes in some also suffered various degree of damage. The losses caused by the disaster were very serious, and gravely jeopardized industrial and agricultural production as well as people's daily life.

After the disaster occurred, leaders at all levels paid close attention to the matter and went to disaster areas to help with anti-disaster and relief work. The provincial party committee and provincial people's government leaders also promptly inspected conditions in the affected regions and held an emergency meeting of the provincial anti-disaster leading group to study and map out relief measures.

The circular pointed out: In the face of severe natural calamities, leaders at all levels, should unify their thinking. They should not only see the gravity of the disaster, but must also acknowledge the positive factors such as the party's effective policies and the people's enthusiasm, and adroitly guide action according to these circumstances. They should organize cadres to go to affected regions and encourage the people to display the spirit of self-reliance and hard work to overcome the difficulties and do a good job in relief work.

Provincial, prefectural and county level work teams in the countryside should go down into the grassroots and regard relief work as an important task today. According to the weather forecast, another cold wave is expected in late March and early April, while low temperature may possibly

recur in August. Thus, it is absolutely necessary not to lower one's guard and be careless. It is imperative to foster the thinking of fighting disasters and striving for bumper harvests in order to promote agricultural production.

The circular asked all localities to try every possible means to make use of local factors and adopt all effective measures to rely on one's resources. With regard to broad beans, wheat, vegetables, and other crops which were frozen to death, consultations must be carried out with experienced peasants and scientists and specific steps taken in each case. Some crops may be harvested, and the soil turned over to increase the soil temperature in preparation for spring planting. Quick-ripening crops and vegetables may also be cultivated to meet partial food requirements and market demands. As for crops which suffered minor damage, complementary measures must be taken to step up final-stage tending and to apply adequate manure and water in order to minimize the loss and, if possible, to keep more seeds for autumn planting. In preparing for the principal spring planting, aside from implementing well the original production plans, it is also necessary to draw up new measures in response to new conditions, and strive to reap more grain from the principal spring crops in order to make up for earlier spring losses.

The circular also urged all localities to open up new channels, in connection with the current drive for getting rich through a 100 yuan increase, to vigorously promote township enterprises and promote livestock raising and field cultivation. In particular, it is necessary to implement well the production schemes and measures on the cultivation of industrial crops such as flue-cured tobacco, and seek to increase the people's income, seeing to it that, while production may drop, income will not go down.

Moreover, it is necessary to pay proper attention to the daily life of the people. Grains sold back by the state and relief money should be promptly distributed to households in difficulty. It is particularly important that more attention be paid to the daily life of people in disaster areas. Units in charge of agriculture, finance, supply, commerce, communications, and farming materials in all localities should go down into the disaster areas to investigate and study and find out the needs of the people there. They should provide strong support in furnishing items needed in relief work, such as seedlings, chemical fertilizers, insecticides, gasoline and diesel oil, plastic sheeting, capital, technology, transportation and so on, and work in close coordination to ensure satisfactory implementation of relief work.

/9738
CSO: 4007/319

BRIEFS

ZHEJIANG'S RURAL SAVINGS--Hangzhou, 19 February (XINHUA)--Zhejiang's rural savings deposits increased drastically in 1985. By the end of 1985, the balance of savings deposits in Zhejiang's rural areas was 3.865 billion yuan, an increase of 42 percent over 1984. In 1985, peasants' average per capita income rose to 521 yuan, topping the average figure in 1984 by 75 yuan. [Summary] [Beijing XINHUA Domestic Service in Chinese 0237 GMT 19 Feb 86 OW] /12232

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END

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China Report

AGRICULTURE

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NATIONAL

ATTENTION TO AGRICULTURAL IMPORTS URGED

Beijing RENMIN RIBAO in Chinese 6 Jan 86 p 2

[Exclusive for RENMIN RIBAO by XINHUA reporters Fan Xiangqun [5400 0686 5028] and Guo Xianwen [6753 3759 2429]: "Pay Attention to and Augment Agricultural Imports"]

[Text] In the past few years some good results have been achieved with agricultural imports in the coastal regions of Guangdong, Fujian, Zhejiang, Jiangsu, and Shanghai. Some improved breeds imported from abroad to these various locations have been successfully planted and raised experimentally, and have begun to be popularized. Through the importation of advanced technology and equipment, a number of projects have been instituted to process and preserve freshness in fruit, vegetables, aquatic products, and livestock products. Some of these products have already entered the international market. Agricultural imports have stimulated growth in the rural commodity economy and enhanced the ability of farm product exports to bring in foreign exchange.

However, in many areas this work does not receive proper attention: few items are imported and a there is a dearth of organization and coordination. According to statistics, in the past few years the capital used for agricultural imports in some open cities and counties has amounted to only 1 to 2 percent of the total capital used for "foreign imports."

Based upon our investigation, to enhance work in agricultural imports we must now proceed from the following two areas:

First we must improve our understanding of agricultural imports. Some people believe unilaterally that agricultural imports produce low economic results and are not profitable. We should make a concrete analysis of this supposition. Some goods are imported based on local advantages and are chosen accurately. Economic benefits from these goods are certainly not low. For example, Guangming Overseas Chinese Livestock Farm in Guangdong formerly had been losing money for a long time; it was a state farm that had come to the end of its rope. After 1980 this farm used its geographic advantage--its proximity to Hong Kong and Macao--and its own natural conditions suitable for developing livestock industry, and successively imported white-spotted dairy cattle, shige [2457 2706] improved hogs, Australian digao [3695 7559] ducks,

American luodi [5507 0966] "emperor pigeons," and other improved livestock breeds, as well as a quantity of advanced production and processing techniques. With these they developed modern livestock and livestock products processing industries. Within a few years this farm has become a large-scale livestock products export base. In 1984 its gross export value reached HK$100 million, and enterprise profits have risen year after year.

Some agricultural imports in and of themselves accrue low economic results, but they develop the forces of production and obviously benefit society. For example, because of its abundance of garlic, in 1984 Taicang County in Jiangsu imported equipment from Japan and set up a green-goods storage facility with a capacity of 1,500 tons. They process and store fresh garlic sprouts, which in the slack season they ship for sale to Japan and large domestic cities. As a result, growth was stimulated countywide in garlic cultivation and in 1985 the growing area was enlarged by more than 10,000 mu. Exports of garlic sprouts and bulbs from the entire county can bring in more than 4 million dollars worth of foreign exchange. This item alone provides a per capita income of 39 yuan to county farmers.

The rural workers these reporters contacted during the course of this story asked that the leading bodies concerned make improvements in the examination and approval process for "foreign imports." At the time imported agricultural goods are examined for approval, the economic results of the items themselves should be considered, but what is more, social benefits and whether the item can increase exports and bring in more foreign exchange for the state should also be considered.

Next, concrete policies and measures must be formulated to resolve actual problems in production units, such as insufficient capital, low benefits, and lack of information. The specialists and actual workers concerned have made the following suggestions on this point:

1. Raise import capital through many channels. We must call upon the initiative of the state, the collectives, and individuals alike to expand lateral economic associations. Simultaneously we must make active use of foreign capital; adopt compensatory trade, cooperation, joint venture capital, and other flexible means; and accelerate the import pace. Out of locally retained foreign exchange earnings, provinces, prefectures, and counties should annually transfer a certain proportion to focus on agricultural imports.

2. Implement preferential policies. We should give tax and credit allowances for import items which benefit society but which in themselves are not profitable. Products that are newly developed due to improved breeds or technological progress, and products which have opened new markets, should in their first years of export be granted a suitable exemption from taxation and an increase in the proportion of locally retained foreign exchange earnings.

3. Enhance work in macroeconomic guidance and in information services on imports, make distribution rational, select items accurately, and prevent indiscriminate importation. For imported items, accomplish consumption, assimilation, trailblazing, and extension tasks.

12510
CSO: 4007/225

TRANSPROVINCIAL

COMMERCE, INDUSTRY, AGRICULTURE COMBINED IN EXPORT ZONES

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 10, Oct 85 pp 12-15

[Article by Zou Ziying [6760 1311 1305] of the Ministry of Agriculture, Animal Hubandry, and Fishery: "Issues in Setting Up Structures Involving Commerce, Industry, and Agriculture in Coastal Regions"]

[Text] Early this year, the party Central Committee declared that the Chang Jiang and, the Zhu Jiang Delta, and the Xiamen-Zhangzhou-Quanzhou triangle in southern Fujian would be open zones. These zones have gradually established structures involving commerce, industry, and agriculture. This is an important strategy in regional economic development. According to this strategy, the economics (including industry and agriculture) of the open coastal areas will link directly with international markets. Establishment of such links will inject new vitality into agricultural development in the coastal areas, and at the same time will demand adjustments in the structure of agricultural produce in these areas. This year, I have had the opportunity to visit a number of towns and counties in the Zhu Jiang Delta and the southern Fujian triangle and investigate issues concerning agricultural production in the structures that have been established involving commerce, industry, and agriculture. In the course of these investigations, I have come to feel that there are some unavoidable problems that should be pointed out for study.

I. The Key to Establishing Structures Involving Commerce, Industry, and Agriculture Lies in the Gradual Development of an Externally Oriented, Vigorous Economic System

The establishment of structures involving commerce, industry, and agriculture in the open coastal zones is a policy with many implications and its implementation will be a complicated, long-term process. During the course of implementation, there is a great deal of concrete work to be done in scientific research, production, organizational management, and coordination of controls. For example, a plan of development for a district must be drawn up and implemented, with plans for the success of individual agricultural and sideline products from production to retail marketing. These aspects for the tasks are extremely important. Nevertheless, the past record shows that the key to the success of this policy lies in whether or not the open coastal

zones are able to develop a vigorous economic system that is externally oriented toward the international market. Therefore, this should be the key point of policy that is kept firmly in mind during the course of seeking the adjustment in the structure of commerce, industry, and agriculture. Only in this way can attention be given to the success of individual products, and only in this way can a foothold be secured for long-term competition.

I should also raise a problem related to this, concerning standards for the production structures involving commerce, industry, and agriculture. Can we evaluate the structures involving commerce, industry and agriculture by reducing the area planted in grain and increasing fish ponds, orchards, and certain kinds of produce according to the relative positions they occupy in the international market? I feel that this is not correct. The most important standard in the creation of production structures involving commerce, industry, and agriculture is that they should establish links with the international market and have imports (primarily importing capital, advanced technology, and new plant varieties) and exports, with exports being most important. At the same time, organization should implement a benign cycle system of production management. This system, of production management ought to be able to collect in a timely and comprehensive manner news about international markets and it should also be able to respond. There should be sensitive, effective internal adjustment mechanisms. Scientific research, producton, storage and transport, processing, marketing, and pre-, mid-, and post-production adjustments all should be organized according to the demands of the international market. In this kind of economic system, it is not a matter of one kind or several kinds of products being able to compete in the international market. Rather, the overwhelming majority of products produced in this kind of economic system must be able to effectively compete in the international market. The reason that the agricultural products of the United States and some of the other Western countries are so competitive in the internationcal market is not merely because of favorable conditions in terms of the natural geographic environment, capital investment, knowledge, etc., but also and more importantly because of the effort over a number of years to create a system of production management that is appropriate for the fierce competition in the international market.

Here there is no intention to demean detailed work and the importance of particular projects. But we feel that virtually no effort has been made by any level of economic departments to establish an economic system that is appropriate for the international market. This is an omission in the layout of work. This is detrimental to the establishment of production structures involving commerce, industry,and agriculture. It is a fatal weakness. Our comprehensive economic departments above the county level should change their attachment to individual projects and instead should examine present interests and address this fundamental task, beginning work after extensive investigation and study.

In the past stage, many foreign trade, agricultural, scientific research, and other units from these three coastal zones have gone to Hong Kong and observed its market. It should be acknowledged that the information that has been brought back is quite important. There are exhaustive statistics concerning

the total amounts and value of agricultural and sideline product sales in the Hong Kong market, the proportionate shares occupied in the market by the various countries, comparisons with comparable Chinese products, and many other things. After looking at this data, some constructive suggestions can be raised. However, these investigations are insufficient to understand the systems of production managements of the various countries because the investigations focus on Hong Kong, an specially designated international market. It should be noted that in the Hong Kong market, China's agricultural and sideline products, such as fruits and vegetables, have been pushed aside by the products from Taiwan, the United States, Thailand, and other countries, which have gradually taken over the market. This is not an isolated phenomenon. Taiwan, the United States, and other countries frequently send to the Hong Kong market in an instant a complete range of products and do quite well. We ought to study carefully what kind of system of production management made the agricultural and sideline products of these countries and districts so competitive.

With China's establishment of open coastal zones, the agricultural economies of these districts will be adjusted according to the production structures involving commerce, industry, and agriculture. The strong points of production management systems of other countries should be imported. A completed economic system should be established that is responsive to conditions both in the world marketplace and in China, and which incorporates China's own special characteristics.

Of course, this kind of economic system can be established only gradually and after systematic study and accompanying reforms. Clearly this is a large project that supersedes geographic, department, and professional lines. But if the open coastal zones are to gradually face globalized, highly developed modern agriculture, this task is indispensable. The experiences of many developing countries show that if the old system is not changed at the time of external funds and technologies are imported, if a very healthy producton management system is not established, then the policy of opening to the outside will not be successful.

At present, the open coastal zones are at the early stage of establishing production structures involving commerce, industry, and agriculture. They do not have experiences this kind of economic system, not do they have ready-made models to refer to. Therefore, exploration of every kind of form should be permitted. Linkage between agriculture and commerce, linkage between technology and commerce, foreign exports directly managed by agricultural departments, foreign trade departments establishing production bases, and other experiements--all attempts to establish highly efficient, thriving structures should be permitted in order that the best forms can be selected from the experiences in production management.

II Macroeconomic Management Problems During the Establishment of Production Structures Involving Commerce, Industry, and Agriculture

At present, the economies for the Zhu Jiang Delta and the southern Fujian triangle, especially their agricultural economies, are thriving. Structural

adjustments were begun early in these districts and the rate of movement for all kinds of production factors and the speed of reorganization were increased. All cities, counties, and townships started as many projects as they possibly could, including foreign trade projects. Among them are some cities and counties that took action comparatively early and already are beginning to see results in the adjustments of their agricultural production structures. For example, Shenzhen City in 1984 dispatched exports that earned $32 million. Of this, agricultural exports were $25 million, or 78 percent of total exports. Zhuhai City exports totaled $175,440,000. Of this, agricultural exports were $10,307,000 or 59 percent [as published]. Agricultural sideline products comprised the main component of this export trade. This has already become a model whose example is motivating other cities and countries to obtain similar results by copying them. At present, fish ponds, shrimp aquaculture, and other lines in the Zhu Jiang Delta have already developed beyond the point that urban markets can absorb.

At the same time, all cities and counties are separately studying markets and determining their own plans for the development of commerce, industry, and agricultures. At Zhu Jiang's Delta, I heard at least 3 or 4 comrades responsible for county agriculture matters who mentioned agricultural and sideline product markets in Hong Kong and Macao for a majority of their products in certain lines, and many of these products were redundant.

However, even in the Hong Kong and Macao markets, which are closest to us, the market share for our agricultural and sideline products has not evidenced much change. Markets are swamped because we are competing against one another, and markets are lost also because of stagnation in the foreign trade system.

This clearly shows that during the course of establishing production structures involving commerce, industry, and agriculture, macroeconomic management problems (including leadership, cooperation, and control) will suddenly present themselves.

It must be seen that in establishing production structures that face the global marketplace, producers face international markets that are well organized, have their own unique laws of value, and are monopolistic. They are also extremely competitive. If China's open coastal zones do not present a strong and unified face to the market, it will be difficult to penetrate and maintain position in the market. One of the reasons that the United States and Western Europe maintain strong positions in the marketplace is because they present a unified face. The competitive rivals of the open coastal zones in the international marketplace are developed countries whose capital, technology, energy investments, and management standards all are in the first rank. If during the course of surveying our structures the optimal combination of limited production factors is not obtained, enabling scarce resources to contribute as much as possible, then it will be impossible to offer effective competition. Only by using macroeconomic management and cooperation can this be realized. Without this, microeconomic vitality and efficiency will cancel each other out, producing a negative effect and leading to the loss of markets and serious waste of production factors and resources.

If the entire macroeconomics management system is poor, China (including the open coastal zones may once again lose an opportunity for economic take-off.

To strengthen macroeconomic management, the following tasks are most pressing:

1. Study the overall situation and set the overall strategy for the development of production structures involving commerce, industry, and trade in the 3 open zones. Although the 3 open zones share many features in common, even their agricultural production conditions are clearly different. The Chang Jiang Delta has the advantage of an extensive hinterland; the Zhu Jiang Delta has nearby the markets of Hong Kong and Macao. The southern Fujian triangle has mountains on one side, the sea on the other, each with its own special characteristics. Plans concerning how the 3 open zones should exploit their natural advantages, how they should divide and coordinate work and rely upon one another, and how they should divide up markets and develop products, etc., should be considered as part of the overall development strategy. Of course, under China's present economics system, this kind of overall development strategy can only be along rough, suggestive lines; it cannot have too much administrative force. However, the establishment of similar cooperative economic organizations, such as the European Common Market, or China's own Shanghai Economic Zone, which are loosely organized and are cooperative organizations with definite authority, can be considered. Also, every form of economic method can be used to guide the implementation of the overall development strategy.

2. Gradually form a set of regulatory measures that are appropriate for the policy establishing open zones and that are sensitive and combine highly efficient economic and administrative measures. Pricing, tariffs, and no market measures such as export quotas all can be used.

3. Guide each zone in selecting appropriate development objectives. When establishing production structures involving commerce, industry, and agriculture, this kind of guiding thought should be made clear: set a reasonable pace and prepare for the long haul. International market conditions and China's constraining factors should be taken as the starting points. Selections should be made according to the directions in long-term development and the economic objectives that can be achieved in the short-term. For example, with China's present level of production technology in agriculture, the market for highly-quality goods should not necessarily be the first target. Rather, the next level up, the market for products of a medium grade, should be the first target. In striving for market share, appropriate choices can be made. One should not necessarily spend an overly large amount of resources attempting to drive the products of others completely out.

4. An important task in macroeconomics management is blunting the negative impact of changes in the global marketplace on the open districts and limiting the incurtion of changes in the global marketplace on China's domestic market. This demands good coordination in the relationships among global markets, open district markets, and the broader domestic markets. The domestic markets should help absorb the impact of changes in the global market place and

protect the economic development of the open districts, serving as a stablizer for the districts.

5. The planned transfer of technology from the open coastal zones to the interior should be accelerated, helping spur the economic development of the interior. Without the development of the open coastal zones, this would have no force.

6. Departments engaged in macro-management should take on the responsibility for collecting, analzying, and distributing information. This is an important component of macro-management. Current economic information is dispersed and complex. Its utility can be maximized only by concentrating its collection and processing up to a certain level.

Of course, accomplishing these tasks will be quite difficult and will require increased investment by both the state and the localities. Both the state and the localities should be unstinting in their investments in this work.

3. Start-up Funds and Insurance Funds Should Be Established

Any county that seeks to establish export-oriented economic structures requires the help of the state, especially in the export of agricultural and sideline products. The majority of countries have government subsidies. The United States and all of the member countries of the Common Market do.

In China's open coastal zones, there are many limiting factors in the establishment of an export-oriented agriculcure that involves commerce, trade, and agriculture. At the beginning, it would be extremenly difficult to get started without the assistance of the central government. In the economically open coastal zones, shouldn't structures and special development funds similar to America's Export-Import Bank be considerd? Assistance in the establishment of production structures involving commerce, industry,and agriculture could be given by suing loans from these with relatively strong resources to make guiding investments. These kinds of loans would be relatively sensitive to a changes in the global marketplace and to the domestic production situation in China. Production would be guided by adjusting the interest rates and the flow of funds.

At the same time, consideration should be given to establishing an insurance fund for commerce, industry, and agriculture. Adjusting the structure of agriculture production according to the demands of the domestic market is risky for individual peasants and collectives. Adjusting the structure of production in accordance with supply and demand in the global marketplace is even risker. This is especially so since fresh and live agricultural and sideline products have traditionally been called risky goods. It is not wholly reasonable to have this kind of market risk borne entirely by the individual peasants and collectives of the open coastal districts. The development policy for commerce, industry, and agriculture entails the state considering the overall situation and long-term interests and designating regional development strategies. It is primarily the state that benefits from the foreign exchange that the open zones earn and the technology that is

imported. If the state shares in the benefits, it should also shoulder a portion of the risks. This will greatly help the establishment of production structures involving commerce, industry and agriculture.

Establishing these funds not only will aid in the establishment of strong, positive, cyclical production structures involving commerce, industry, and agriculture, but also they will aid in blunting the changes in the global markets and the negative influences on the open coastal zones that come from their openness, such as inflation. This composes part of China's economic protective screen. It contributes to the stable, balanced development of the entire nation's economy.

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CSO: 4007/203

WAYS SOUGHT TO IMPROVE PEASANT ENTHUSIASM

Heifei ANHUI RIBAO in Chinese 29 Nov 85 p 2

[Article by Cheng Shihai [4453 0013 3189] "Pragmatically Maintain Peasant's Enthusiasm for Farming"]

[Text] The state of peasant's enthusiasm for production not only has an impact on developments in rural conditions and the growth of agricultural production, the overall state of the national economy is also affected. When the agricultural output-related system of contracted responsibility was initially carried out, peasants treated contracted land as a "money tree" and "cornucopia," cultivated intensively, and were diligent in management. There promptly appeared an upsurge in adding and repairing tools, accumulating and making fertilizers, and studying scientific techniques. Enthusiasm ran high in all rural areas. Agricultural production quickly developed, and some farmers have started to prosper. This is currently the dominent trend in rural areas. However, reactions heard from peasants are that "farming has no future, grain is worthless, worry today about trouble buying and worry tomorrow about trouble selling," and so forth. Fervor for farm work has ebbed somewhat. The reason is that means of production costs have risen; agricultural capital costs have increased; in some localities, agricultural production leadership has been somewhat loose and key links not firmly grasped; some units and departments that serve rural areas and agricultural production simply proceed from a profit mentality or the benefit of small groups, compete with the people over profits, forget their scruples when they see profits, and often create artificial difficulty in selling and buying. Three problems have appeared to varying degrees in all areas concerning land utilization and cultivation management because of the drop in peasant enthusiasm for farming. First, land utilization ratios have dropped. There has appeared in recent years to a greater or lesser extent the phenomenon of land being left fallow for a single growing season or year round. It is more serious in suburban districts and in industrial and mining districts. Second, investments in soil fertility have dropped, and land is being used without its soil being maintained. Third, farming is not intensive, and scientific cultivation standards have dropped.

Current peasant enthusiasm for farming shows up differently in different areas. In suburban districts, in industrial and mining districts, and in districts where rural enterprise is well developed, peasant enthusiasm for

farming is not high. The road to prosperity is broader because non-agricultural labor demand is high. In outlying suburban districts that have convenient transportation and are well suited to cash crops and diversified economies, even though farmers seek their fortunes in the earth, they have no enthusiasm for growing grain. They only farm to resolve their own food needs. They mainly rely on cultivating cash crops, starting diversified undertakings, and taking part in other specialized production to increase income and enrich their families. In districts with more land than people, inconvenient transportation, that are distant and isolated, and where rural enterprise development is slow, peasants have always primarily farmed. They lack the cultivation know-how to develop commercial crops. If they want to launch diversified operations, they cannot read the market accurately. They are left with no alternative but to grow grain.

The current peasant problem of falling enthusiasm for farming cannot be treated lightly anywhere. Positive and effective measures should be taken, peasant enthusiasm for growing grain protected, and agricultural production's steady growth sustained. Under the current new historical conditions, it is necessary to undertake a renewed understanding of the strategic place of "agriculture is the foundation of the nation's economy," and once again propagate the principle "to absolutely not relax grain production, and energetically develop economic diversification." That agriculture is the foundation of the nation was not only appropriate in the past, it is appropriate now, and will be so in the future.

We need to conscientiously survey and analyze the different characteristics of different districts, select appropriate measures, guide the peasants, and raise enthusiasm for farming. In the above mentioned three districts, for example, each has its own respective advantages in resources and environment, and the farmers have their own ideology, performance, hopes, and requirements. The characteristics of different locales must be confronted, measures suited to local conditions, and a rational line followed for a good job in readjusting the rural production structure. Strengths need to be developed and weaknesses avoided. With regard to suburban districts and industrial and mining districts, on the one hand, a good job is necessary in labor transfer and the development of industrial, commercial, transportation, building, and service enterprises, and, on the other hand, it is possible to select measures to make industry benefit agriculture and so on, do a good job on land and contract transfers, and cultivating currently held land. As for key grain producing districts, protection of rural key "special zones" need to be carried out, and first consideration and support given to the features of technical guidance, information transfer, material supply, putting funds into circulation, product sales, and so on. It is not only necessary to stress helping improve production conditions, spreading advanced technology, and raising per unit area, it is also necessary to help with the strongly developing breeding industry, transforming surplus grain into feed for livestock and poultry, undertaking the processing of crops and livestock products to different degrees, creating an integrated line of cropping, breeding and processing, and increasing economic income. Stressing the protection of enthusiasm for farming and growing grain in these kinds of localities can fix a solid foundation for a steady increase in food. With regard to those

districts suitable for cash crops and the development of economic diversification, where mineral resources are rich, and land and water transportation developed, appropriately adjust down the area for grain, expand the cultivation of some cash crops that suit demand, establish production bases for different crops, and guide them to develop in the direction of commercialization and specialization.

To improve production conditions and raise production standards, it is necessary to integrate through contracts centralization and decentralization according to the production needs of that time and place, and centralize if it is proper to centralize and decentralize if it is proper to decentralize. An important reason for farm production conditions taking an adverse turn and land management being unintensive is that production items that should be collectively managed and cooperatively run are not centralized. Collective management is to make up for the inadequacies of division by household. Collectivation and centralization have to be established on the foundation of family contracts and farmer willingness. If the masses request that water conservancy, farmland construction, mechanized plowing, crop protection services, systematic planting of highbred rice, and so forth be collectively managed, then manage collectively. Centralize as much as can be centralized. The purpose is to mobilize collective strength, improve production conditions, develop social benefits, and raise production standards. It is possible to solve the capital needs for improving production conditions and raise cultivation standards by taking the three combined methods of collecting a little of it from the state, collecting a little of it from rural village enterprises, and have farmers bear a little of it. So as to not increase the burden on farmers, their part of the responsibility can be paid out of the budget raised and set aside for the various kinds of village collectives.

Trouble with buying and selling is a difficulty that also influences peasant enthusiasm for farming. The trouble with buying and selling spoken of here is not what is usually meant by trouble buying and selling. Rather, it refers to inaccessibility, poor temper, and intrasigence of some units. It is manufactured trouble, and man-made difficulties. With reference to trouble buying basic production supplies, aside from the shift from fixed prices to negotiated prices, and from negotiated prices to high prices, cases of the wanton assigning of unmarketable products, substituting inferior products for good ones, and adulterating, faking, and short changing are by no means isolated. With reference to trouble selling, there is the forcing down of grades and prices, taking of fees, wanton creation of trouble, and the relying exclusively on private connections for making deals. We think that if the man-made troubles with selling and buying are to be solved, it is necessary, on the one hand, to right the managerial mentality of management departments, strengthen work attitudes, stress professional ethics, and give the benefits to the farmer, and, on the other hand, management and service needs to be unified, manage by serving, and planned deficits need, within a certain budget, to be permitted, and that policy insure that management departments give the benefits to the people. In terms of price, a rational exchange rate needs to be determined by pegging the price of various agricultural by-products and their means of production to the price of grain in order to protect the enthusiasm of farmers to grow grain and to farm.

With regard to the problems of letting land go to waste, indiscriminately occupying cultivated land, and using land without caring for it, and aside from educating farmers about relevant policies, it is necessary to energetically solve some concrete problems in the transfer of contracted land. We think: (1) Farm households that transfer land on their own volition should not be burdened with compensatory conditions. (2) Various community obligations should not be shouldered by the sharing of cultivated land. (3) Permit the transfer of contracts across districts, and bring labor in from the outside to cultivate land. (4) Supply basic production needs that are in short supply first to the farm families that invest them in the soil. (5) Work out a concrete method for "making industry supplement agriculture," and reduce the difference in economic incomes between those who work at industry and commerce, and those that labor at agriculture. There should also be formulated a system of punishments and rewards for investing in land, reward according to labor and penalize letting land go to waste and the indiscriminate occupying of land, reward farmers for treasuring land, investing in the land and labor, developing the potential of the land, raising land use ratios, and advancing the steady growth in agricultural production.

13152/12947
CSO: 4007/190

OUTLOOK FOR BEIJING VEGETABLE MARKET OUTLINED

Beijing ZHUANYEHU JINGYING BAO in Chinese 7 Dec 85 p 1

[Article by Hu Lianbo [5170 6647 3134]: "The Trend of Supply and Demand for Vegetables in Beijing During Fall 1985 and Spring 1986--Quantities On the Market: Amphisarcae and Root Crops Will Decrease and Leafy Vegetables Will Increase; Aggregate Sales Will Decline Slightly; Nearly 50 Percent of the Supply of Goods for State Commerce Will Be Transferred In from Other Towns, and There Will Be Problems in Procurement and Transportation"]

[Text] During the first winter and spring after vegetable pricing was reformed in Beijing Municipality, supply and demand for vegetables has been a problem of great concern to a vast number of consumers and entrepreneurs. An analysis of the actual state of buying and selling in this marketplace during 1985 shows that some changes are about to occur:

From the production aspect of the situation, one change is that early supplies of stored winter cabbage have been ample, and, in particular, the quantity of vegetables stored by residents is up 14 percent over the same period of 1984. We can guarantee the supply of popular goods such as radishes and potatoes. A second change is one which has occurred in the vegetable production mix. In former years winter production of tomatoes, peppers, cucumbers, and other amphisarcae was provided by collective cultivation in communes and brigades. This year there has been a change in the way suburban production is organized; now over 70 percent of the vegetable field area is contracted out to commune members' households. Due to the small size of assigned plots, dispersed cultivation, labor composition and technical management factors, and so forth, it is projected that there will be a declining trend in amphisarcae on the market in the fall of 1985 and the spring of 1986. However, it is possible that the quantity of labor-saving, low-cost varieties of leafy vegetables on the market such as celery, small rapeseed, small Chinese cabbage, and anise, will increase. Analysis reveals that quantities produced in the winter of 1985 will be reduced about 20 percent from the same period of 1984; the amount of winter root crops on the market in March and April will be down about 10 percent. A third change is that the supply of vegetables on the market in Beijing Municipality during the winter of 1985 and spring of 1986 will be composed of three parts, estimated as follows: 1) suburban supplies of goods will constitute 50 percent of the total; 2) supplies from outer suburbs will

account for 10 percent of the total; 3) supplies from other towns will comprise 40 percent of the total.

Based on an analysis of market requirements, the following traits characterize market supply and demand in the winter of 1985 and the spring of 1986: First, it is estimated that aggregate market sales will decline slightly from their stable level. In addition to the reduced quantity of growing area, the primary reason for this is that the quality of vegetables on the market has improved and some consumers have been inhibited by rising prices. Second, it has been customary for residents of Beijing Municipality to store Chinese cabbage during the winter season. The main volume of demand continues to be for popular goods such as Chinese cabbage, radishes, and potatoes, but the volume of demand for more delicate vegetables such as small rapeseed, celery, young Chinese cabbage, fresh bamboo shoots, cauliflower, cucumbers, tomatoes, peppers, and other varieties will increase notably. Third, the multi-channel diversified economy will continue to develop. Since the onset of winter, farmers' markets and individual small retailers have been more active, and the volume of business in the more delicate varieties of vegetables has accounted for approximately 30 percent or more of total sales in these markets. Fourth, the price outlook is good for delicate vegetables sold separately this winter and spring. In order to prevent excessively high prices, state-operated vegetable stands will put maximum price limits on the major varieties of vegetables. Fifth, a change is occurring in the composition of vegetable supply sources: this fall and next spring nearly 50 percent of the supply for state commerce will be transferred in from other towns to make up for the insufficiency of fresh vegetables in our own market. By contrast with the same period of 1984, the volume extracted from outside will increase more than 100 percent--an unprecedented occurrence. It is projected that there will be many difficult problems in procurement and transportation.

12510
CSO: 4007/225

BRIEFS

GUIZHOU BEGINS AERIAL SEEDING--Guiyang, 12 March (XINHUA)--Five "Yun 5" airplanes began aerial seeding for afforestation in the mountains of east and south Guizhou Province, southwest China, today. "Aerial seeding will be ended in mid-April, when 100,000 hectares are expected to be sown with tree seeds," said Huang Yitian, an official of the provincial Forestry Bureau. The Guizhou forestry authorities plan aerial seeding on 100,000 hectares a year during the Seventh 5-Year Plan (1986-1990). The mountainous province has 4 million hectares which need afforestation, and half this area can be seeded from the air. According to statistics, the survival rate of trees planted by hand in Guizhou over the past 30 years is 19.5 percent and by aerial seeding, 26 percent. A province-wide afforestation drive was launched in 1983, when communist party General Secretary Hu Yaogang inspected the province. [Text] [Beijing XINHUA in English 1655 GMT 12 Mar 86 OW] /12232

RAMIE SHORTAGE--This year the supply of ramie will not meet demand in Guizhou. Last year, the gross output of ramie in Guizhou was about 25,000 dan, this only met half of the amount needed by the textile industry in the province, the amount procured by supply and marketing cooperatives was only 2,000 to 3,000 dan, in addition, other provinces and foreign merchants came to the province to purchase ramie, the shortage of ramie was not alleviated. At present, the price of each ton of raw ramie is 8,000 to 9,000 yuan. This year there will continue to be a shortage of ramie in the province.[Text] [Beijing NONGMIN RIBAO in Chinese 4 Mar 86 p 2]

CSO: 4007/323

RESULTS OF RURAL RESTRUCTURING REPORTED

Shijiazhuang HEBEI RIBAO in Chinese 24 Dec 85 p 1

[Commentary by HEBEI RIBAO staff reporter Zhang Mingshun [1728 2494 7311]: "Revising Rural Industrial Composition in Hebei Has Entailed Great Success, Considerable Potential, and Heavy Responsibilities"]

[Text] Recently, the Hebei Workshop on Revising Rural Industrial Composition was convened, presided over by the provincial scientific association. The data provided by the workshop, as well analysis by the specialists, professors, and scientific and technical workers at the meeting, have given us the idea that the revision of rural industrial composition is bringing about three transformations, as follows: a change from self-sufficient or partially self-sufficient production to commodity production; a change from a uniform economic composition focused on cultivation trades to a coordinated development of farming, forestry, animal husbandry, sidelines, and fishery and comprehensive operations in agriculture, industry, commerce, and transport; and a change from attention to yields and quantities to a simultaneous improvement of quality and economic results. To sum up, we have had great success, potential is considerable, and heavy responsibilities remain.

Since 1984 Hebei has been engaged in a step-by-step revision of rural industrial composition. Readjustments began with cultivation trades: for cotton, oil-bearing crops, and other cash crops, growing areas were expanded, yields were raised, and output value was increased from 19 percent to 36.5 percent of the total output value from cultivation. Following the rise of the household system of contracted responsibility and the party's execution of policies to open up and stimulate the rural economy, a large number of households, villages, and townships specialized in various different trades, and many economic associations of different sizes and diverse forms, have sprung up in the countryside. Notable changes have taken place in rural industrial composition: the proportion of farming has declined and the proportions of rural industry, commerce, and building trades have increased. As for labor composition, labor engaged in cultivation trades has dropped from 84.2 percent to 69 percent, and it is in the process of shifting toward secondary and tertiary industries. The ways in which people make a living are beginning to change. In rural society, the proportions of gross output value accounted for by various industries are developing in a rational direction: the gross value of agricultural output has declined from 64 percent to 58.6

percent, and that of rural industry, commerce, and building trades has increased from 33.8 percent to 39.7 percent. In the first 4 years of the Sixth 5-Year Plan township and town enterprises developed rapidly, increasing progressively at a rate of 18.2 percent. Rural commerce grew at a rate of 27 percent, increasing output value 160 percent during those 4 years. What is even more gratifying is that while we have been revising rural industrial composition, grain production has sustained a stable increasing trend and has set new records in 4 successive years. Peasant income has risen year after year and subsistence problems have been basically resolved. Achieving these successes has laid the foundation for more adjustments to rural industrial composition in the future.

Hebei has vast potential in natural and economic resources, and there are broad developmental prospects for revising rural industrial composition. However, due to multifarious limiting factors, there is still a very uneven rate of progress in revising Hebei's rural industrial composition. In many rural areas there has been no fundamental change in the pattern of concentration on cultivation trades. Superior conditions for growing cotton in the Heilong Gang region and for expanding grain production on the Shanqian Plain, and the many advantages extant in the "3 mountains, 1 plain, and 1 ocean" area, all need to be developed as quickly as possible through further restructuring. This requires that the various sectors make concerted efforts and work in close cooperation--to help the countryside continue revising industrial composition and to make the undertaking even more rational.

12510
CSO: 4007/225

BASES TO PRODUCE HIGH-QUALITY RICE IN LIAONING

Shenyang NONGYE JINGJI [AGRICULTURAL ECONOMICS] in Chinese No 6, 13 Dec 85 pp 35-37

[Article by Li Shaofang [2621 4801 5364], Division of Grain and Oil-Bearing Crops, Department of Agriculture and Animal Husbandry: "An Exploration of the Problem of Constructing Bases To Produce High-Quality Rice in Liaoning"]

[Text] I. Conditions for Constructing Bases To Produce High-Quality Rice in Liaoning

A. We have a large area of paddy land, high output, a high percentage of marketable products, and good economic results.

Provincewide, Liaoning now has 6,485,000 mu of paddy land producing an average yield of 1,021 jin per mu, for a gross yield of 6.6 billion jin. Rice is Liaoning's premier fine grain crop and holds an important position among grain crops in general. Paddy area accounts for 15.8 percent of all grain crop area and 24.3 percent of total grain yield. In terms of area occupied, corn places first, sorghum places second and paddy places third; in gross yield, corn is in first place and paddy is second; in yield per unit of area paddy holds first place. The 3.6 billion jin of commodity rice in the province show a 50 percent-plus ratio of marketable product. According to a 1979 Liaoning Grain Bureau survey, net income runs 67.25 yuan per mu for paddy, 18.48 yuan per mu for corn, 11.17 yuan per mu for sorghum, 8.04 yuan per mu for millet, 1.29 yuan per mu for soy beans, and 16.15 yuan per mu for millet (all figures as published). Income from paddy is the highest among the various kinds of grain crops.

B. Our rice quality is good.

Liaoning is in a monocrop region that produces round-grained nonglutinous rice. The quality of round-grained nonglutinous rice is better than that of long-grained nonglutinous rice. More than 50 percent of the land in the province is devoted to high-quality rice such as Fengjin, Qiuguang, and Jingyue No 1 rice. Liaoning abounds in high-quality rice varieties. In the past, "Jingzu" rice and other famous rice breeds were cultivated in Huanren, Yingkou, and other areas and used for "tribute rice" during the Qing dynasty. This rice was held in high esteem: it was long grained, transparent, had no

white endosperm or white ventral endosperm, and after steaming it was soft, fragrant, and tasty.

C. Our natural conditions are favorable.

The climate is warm, illumination is ample, and rainfall is moderate. The central and eastern regions of Liaoning's major paddy-producing area have an annual rainfall of 600 to 1,200 mm, 60 to 70 percent of which is concentrated in the summer season. The frost-free period lasts 130 to 170 days, accumulated temperature over 10 degrees C is 2,800 to 3,600 degrees C, there are 2,400 to 2,900 hours of sunshine per year, illumination is ample, and there is a wide difference between daytime and nighttime temperatures. Everything is advantageous for compounding and accumulating paddy material. These relatively favorable natural conditions allow Liaoning to strive for high, stable paddy output.

Water resources and soil conditions are fairly good. Most years an average of about 100 billion cubic meters of rain falls in Liaoning. There are 35.5 billion cubic meters of river runoff, natural supplies of groundwater amount to about 13.2 billion cubic meters, and there are about 40 billion cubic meters of surface and underground water resources. Figuring that 60 percent can be exploited and put to use, there are 20 billion cubic meters of water resources that can be used [all figures as published], of which 10 billion cubic meters have now been opened up. There are more than 200 large rivers and 1,024 reservoirs of various sizes in the province. These have a total storage capacity of 10.29 billion cubic meters and they can regulate the flow of 5.388 billion cubic meters of water. Adding in inter-regional water intake, there are now about 7.8 billion cubic meters of surface water resources that we can tap--an exploitation and utilization coefficient of 36.6 percent. There are 91,265 electromechanical wells in Liaoning, of which 15,000 are in paddy fields. These can take in 2.79 billion cubic meters of water and have a possible exploitation and utilization coefficient of 37.4 percent. As yet 30 percent can be used. Liaoning uses primarily surface water to irrigate paddy land, and that water is both warm and high in quality.

In the central portion of Liaoning the land is level, soil is fertile, soil layers are thick, there are abundant surface and underground water resources, and the climate is suitable, making this our major rice-producing area and our high-yield rice-producing area. In this region there are still 10,000 mu of low-lying, easily waterlogged land suitable for growing paddy. The groundwater resource potential is great; this is our key region for future expansion of paddy area.

D. We have a strong technical capability and we use high-yield cultivation techniques.

The Rice Crop Research Institute and the Saline-Alkaline Land Utilization Research Institute, staffed with more than 100 technical personnel, are located in Liaoning. We have also achieved a great deal of success with breeding and cultivation techniques. Agricultural research institutes in key rice towns and counties have established rice crop offices (or groups), key counties have set up agricultural technology extension centers, and key

townships have constructed specialty rice stations. There are more than 900 paddy technologists provincewide, of which 20 or more are advanced paddy technologists.

Liaoning has a 100-year history of growing rice and uses high-yield paddy cultivation techniques. There are 5 million mu of standard strip fields in Liaoning that are convenient for mechanized cultivation operations, that have unimpeded irrigation and drainage, and on which salinity, alkalinity, and rising groundwater can be controlled. We have extensively practiced a series of advanced cultivation techniques that raise yields to 1,000-plus jin per mu: growing improved varieties, using dry nurseries to strengthen rice seedlings, cultivating on large ridges, using shallow irrigation, applying topdressing by stages, and using chemical weedkillers.

II. A Tentative Plan for Developing High-Quality Rice Production in Liaoning

Our guiding ideology for developing rice production should be as follows: we must suit paddy expansion measures to local conditions, strive to increase the yield per unit of area, actively improve rice quality, meet the needs of an ever-increasing standard of living, and enter the international market. In the wake of the ever-increasing standard of living, and to conform hereafter to the fairly ideal composition of staple foods to which the people of Lioaning are accustomed, we must have about 200 jin of husked rice and 100 jin of wheat flour per capita per year. We must also produce some special supplies of rice and some rice for export by foreign guests. We must develop 9 million mu of paddy land and expand to a per-mu yield of 1,150 jin and a gross yield of 10 billion jin. Consequently, by 1990 we must further enlarge paddy area by 2.5 million mu and raise yields by 130 jin per mu. Beginning in 1985 cultivated area should increase progressively by 420,000 mu per year and per-mu yield should rise by 25 jin per year. If all of our rice has come up to high quality standards by 1990 the above goals can be realized just through hard work. The following measures are central to the effort:

A. We must work to open up wells and expand water-saving methods of rice cultivation.

Regions along the middle and lower reaches of the Liao He, Hun He, and Tai He in central Liaoning have an abundance of groundwater resources, of which we are currently using only 37.4 percent. Based on a guaranteed rate of 70 percent, there is another 30 percent that can be utilized. According to plans in Liaoning's Department of Water Resources and Electric Power, between 1984 and 1990, 11,500 wells will be sunk and paddy area will be enlarged by 1.5 million mu. The major focus will be on the counties of Tai'an, Heishan, Liaozhong, Xinmin, Changtu, and Haicheng. The wells will benefit these counties the same year they are opened, and the economic results will be significant. By 1985, 2,000 wells had been completed and paddy area had been enlarged by 330,000 mu. The 1985 plan called for sinking 2,591 wells and expanding paddy area by 400,000 mu. Liaoning has great potential for surface water irrigation and groundwater well irrigation. Well irrigation is not used on half of the upland fields in the province. We should conserve more water, tap more of our potential, bring the benefits of irrigation fully into play and lower our water-use quota. The current water-use quota across the

province is 700 to 800 cubic meters per mu. We can reduce this by 100 to 200 cubic meters and also expand paddy area in Liaoning by 400,000 mu.

B. We must make great efforts to promote dry paddy cultivation and paddy mulching.

Although water resources in Liaoning are quite abundant, if in the future we invariably limit ourselves to traditional rice cultivation methods that rely purely on inundation irrigation, we will restrict our large-scale expansion of paddy area. So doing would also be incompatible with the urgent need for husked rice that has followed from the rising standard of living in Liaoning. In the past few years we have conducted experimental plantings, put on demonstrations, and popularized cultivation of dry paddy and mulched paddy, with considerable success. These new paddy cultivation techniques conserve water, expand the paddy area, transform waterlogged lowlands, and increase farmer income. Dry paddy cultivation is suited to Liaoning's particular characteristics--her limited water resources, spring drought, and summer waterlogging--and has bright prospects for development here.

In 1984 a total of 18,800 mu of paddy were cultivated dry in Liaoning, producing an average yield of 737 jin per mu. Paddy mulching was practiced on 10,700 mu of land and produced an average per-mu yield of 828 jin. Moreover, a considerable number of high-yield plots producing more than 1000 jin per mu have appeared. Dry paddy cultivation conserves more than half of the water used on wet paddy. In regions with abundant rainfall and in lowlying, waterlogged land, mulched paddy generally requires no irrigation. Mulched paddy on dry farmland generally requires only the amount of water used for dryland irrigation. By 1990 we plan to open up 559,000 mu in Liaoning for dry paddy cultivation and 374,000 mu for mulched paddy. In 1985 we developed 120,000 mu for dry paddy cultivation and 65,000 mu for mulched paddy.

C. We must adopt advanced cultivation techniques and improve the yield per unit of area.

Our emphasis in 1985 is to take charge of technical direction in transforming the 1 million mu land that produces low to moderate yields and in developing 850,000 mu of new paddy fields. That way we will achieve an overall proportionate increase in yield, which is the key to improving the yield per unit of area. Prior to 1981, fields producing low to moderate yields accounted for about 50 percent of the paddy area in Liaoning. The primary reasons for low yield are low construction standards on farm fields, admixture of varieties, and low-level cultivation techniques. Beginning in 1983 the province made this a priority development project, and through 2 years of efforts the various localities introduced technical measures suited to local conditions. Farm field construction standards were universally raised and a series of technological measures was adopted: localities increased fertilizer applications, changed to improved varieties, used dry nurseries to strengthen seedlings, applied topdressing by stages, used shallow irrigation, applied chemical weedkillers, and controlled blight and pest damages. They managed to achieve a low level of monetary investment, rapid results, and excellent economic benefits.

In 1983 a total of 400,000 mu in 30 townships were prepared, yielding an average of 871 jin per mu. This was an improvement of 235 jin per mu, or 36.9 percent, over 1982, for an increased paddy yield of 100 million jin. In 1984 the project was expanded to 1 million mu in 70 townships. Under an assortment of natural disaster conditions the average per-mu yield was 942.5 jin--up 96.6 jin, or 11.4 percent, over 1983--for an increased paddy yield of 220 million jin. The cumulative rise in yield for the 2 years was 320 million jin, raising output value by 80 million yuan. According to the 1984 yield analysis there are approximately 1 million mu of land in the province that produce a per-mu yield of less than 800 jin. These low- and moderate-yield fields are widely scattered and have long produced low yields under poor conditions and backbreaking labor. The various localities should enhance guidance, formulate feasible plans, and strive to raise per-mu yields by 100 jin. In so doing we may increase paddy yield by 100 million jin.

III. Enhance Seed Selection and Extension Work on High-Quality Rice Breeds

Right now the rice produced in Liaoning is mostly of medium-high quality. On the international market in particular, it is somewhat lacking in competitive strength. Step by step we should replace these lesser-quality breeds with high-quality rice breeds and produce more rice that is superior in outward appearance, processibility, nutritive quality, cooking quality, palatability, and hygienic quality. Hereafter, in breeding high-quality rice varieties we must first have definite breeding goals. Improving quality should be given precedence and the new breeds produced must possess traits of "high quality, high yield, and multiple resistance."

In order to speed up breeding of high-quality varieties of rice we should systematically take stock of units preserving breed resources to find out what Liaoning's resources are in high-quality paddy breeds. Then we should accelerate quality assessment in all areas and ensure that the stock will be provided to breeding units for their use at any time. We must also keep informed and up to date on news of overseas stocks of high-quality rice, and actively import them through multiple channels. Breeding units, as well as sectors devoted to seed selection, science and technology, extension work, education, and production, should organize coordinated groups to tackle key problems concerned with high-quality rice. They should unify standards, set key objectives, and formulate coordinated programs, striving to breed within 3 to 5 years a batch of new varieties that are high in quality, produce high yields, are multi-resistant, and mature in a suitable time frame. They must adopt high-yield, high-quality cultivation techniques to correspond with high-quality rice breeds. They should guide farmers in rational fertilizer application, pesticide use, and industrial pollution control, as well as in preventing farmland and crop pollution, and thus help them to achieve their goals of high quality, high yields, and low residual toxicity. In the future we should move into action to appraise and select high-quality rice and reward the units and individuals who chose and promoted the high-quality rice breeds.

IV. Construct Seriate Production Bases for High-Quality Rice

During the period of the Seventh 5-Year Plan, the Ministry of Agriculture, Animal Husbandry, and Fishery plans to constuct a number of production bases

for round-grained nonglutinous rice in appropriate northern counties and cities and on the Chang Jiang delta. We must give first priority to developing high-quality rice, make appropriate adjustments in the portion of investment to be used for acquiring processing equipment and breed testing apparatus and for subsidizing breeding of improved varieties, and promote development of high-quality rice production. During the period of the Seventh 5-Year Plan, Liaoning plans to make 11 counties--Huanren, Donggou, Yingkou, Dawa, Dengta, Heishan, Kaiyuan, Changtu, Haicheng, Tai'an, and Liaoyang--key counties to construct seriate production bases for high-quality rice. Based on conditions in these counties, they will establish bases to produce rice either for special supplies, foreign trade, or the domestic market.

Production bases for special supplies of rice will be established in Huanren County, a county which has fertile soil, good water quality, no pollution, and which in the past grew "Jingcu rice" and other famous breeds of high-quality rice. This county has the natural conditions for developing production of special supplies of rice. It can provide the nation annually with 10 million jin of special rice supplies from 20,000 mu of growing area.

Bases to produce rice for foreign trade will be established in four counties: Donggou, Yingkou, Dawa, and Dengta. These counties have large paddy areas, high yields, high ratios of marketable products, high-quality rice, convenient transportation, and strong technical capabilities. By 1990 the paddy area in these counties could reach 500,000 to 700,000 mu, the ratio of marketable products could reach higher than 60 percent, and 1 billion jin of husked rice could be provided annually for overseas export trade. In order to accomplish seriate production of rice for overseas trade, counties must establish companies or leading groups to develop high-quality rice. They must implement regional, specialized production; make purchases through specialized warehouses; do processing in specialized plants; and have specialized procurement and marketing. They must achieve operational coordination among breeding, extension, processing, storage, and transport facilities, and they must carry out seriate construction.

Bases to produce rice for the domestic market will be established in six counties: Haicheng, Tai'an, Liaoyang, Heishan, Kaiyuan, and Changtu. These counties possess the conditions for developing paddy production. Tai'an, Changtu, and Heishan are new paddy districts. In 1984 there was 680,000 mu of paddy area in these six counties. By 1990 this will have grown to 1.9 million mu, their ratio of marketable products could reach 60 percent, and they may be supplying 800 million jin of rice annually for the domestic market.

V. Enhance Guidance of High-Quality Rice Production

Developing high-quality rice production is an extremely arduous task involving many industry sectors. Under uniform guidance we should organize the various sectors concerned to make a concerted effort at coordination. There should be separate responsibility for high-quality rice in the following areas: appraisal and selection, breeding, extension, and base construction; formulation of standards; research into policies on high prices for high quality; coordination of key problems in seed selection for improved varieties, market forecasting and management for high-quality husked rice, and processing technology reform. This will help us to begin high-quality rice production as quickly as possible.

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CSO: 4007/213

BRIEFS

LIAONING RIVER CLEANSING--Shenyang, 8 March (XINHUA)--Efforts to clean a badly polluted river in northern China have been so successful that fish have returned to live in it, a Liaoning provincial official reported. Ospreys and wild ducks have also returned to the Yalu River on the border with Korea. Since 1981, Dandong City authorities have spent more than 50 million yuan on facilities to treat effluent from local factories, the official said. And state and provincial environmental protection officials have drawn up a long-term plan to improve the river area. [Text] [Beijing XINHUA in English 0758 GMT 8 Mar 86 OW] /12232

SHENYANG RICE PRODUCTION--Shenyang, 13 March (XINHUA)--Shenyang, one of China's major industrial cities, will develop quality rice production in its rural counties, according to a plan just approved by the State Council. In the next 5 years, the city's rural counties will be able to provide quality rice for other parts of China and export overseas. Local officials said the northeast China city, with a population of 5.2 million, plans to grow over 130,000 hectares of rice by the year 1990, which means that there will be an annual average of 243.5 kg of rice available for each local urban dweller. [Text] [Beijing XINHUA in English 0733 GMT 13 Mar 86 OW] /12232

CSO: 4020/251

BRIEFS

NINGXIA BREEDS NEW SHEEP--Yinchuan, 12 March (XINHUA)--The Ningxia Hui Autonomous Region has bred a new strain of sheep--the "Tanyang sheep," which is called "the white treasure of Ningxia" for its high quality wool. According to experts here today, the breed is the first "stable" breed achieved for the local type of sheep. The improved sheep has "high quality wool and skin" while inheriting its ancestors' characteristics in that it is easy to feed, capable of walking long distances, and not liable to be affected by extremes of temperatures. Sheepskins and wool have long been major export items from Ningxia and sell well on international markets. [Text] [Beijing XINHUA in English 0636 GMT 12 Mar 86 OW] /12232

CSO: 4020/251

NATIONAL ECONOMIC BASIS IN AGRICULTURE DISCUSSED

Xi'an SHAANXI RIBAO in Chinese 26 Oct 85 pp 1, 2

[Summary of speech given by Bai Jinian [4101 4764 1628], Shaanxi provincial party secretary, at the Shaanxi Provincial Conference of Agriculture and Animal Husbandry Bureau Chiefs: "Agriculture Remains the Primary Foundation of the National Economy"]

[Text] I. Make a Correct Appraisal of the Rural Economic Situation and Further the Recognition that Agriculture Is the Foundation of the National Economy

Since the 3d Plenum of the 11th Central Committee, in the wake of the various party policies that have been implemented in the countryside and the smooth restructuring of the rural economic management system, agricultural production and the overall rural economy in Shaanxi have experienced a state of sustained, stable growth. In 1984 the provincial gross value of rural social production had increased 61 percent over that of 1978 (according to current prices), an average rise of 8.3 percent per year. Of this, the gross value of agricultural output [GVAO] rose 44.7 percent, an average increase of 6.3 percent per year. By contrast, in the 29 year period from 1949 to 1978 the average annual rate of increase was only 3.9 percent.

We are beginning to see the effects of readjusting the rural industrial structure and promoting agricultural development toward industrial diversity. Township and town enterprises have grown rapidly; in the first half of 1985 their gross output value was up 39 percent over the same period of 1984. The agricultural proportion of the gross value of rural social production declined from 77.3 percent in 1978 to 72.5 percent in 1984, and the proportion contributed by rural industry, transport trades, construction trades, commerce, and food services increased 4.8 percent. In GVAO, the ratio of cultivation trades to forestry, animal husbandry, sidelines, and fishery changed from 77:23 in 1978 to 71:29 in 1984; forestry, animal husbandry, sidelines, and fishery have increased 6 percent. The proportion of grain in GVAO has dropped from 61 percent in 1978 to 43.6 percent in 1984, and the output values of cash crops and the diversified economy have increased from 39 percent to 56.4 percent. The volume of agricultural, forestry, livestock, sideline, and fishery commodities has jumped and the percentage of marketable products has risen from 34 percent in 1980 to 44.8 percent in 1984. Per

capita net income reached 262.5 yuan in 1984, up 97 percent over 1978, and living standards have improved steadily.

The success of rural reform has spurred reforms in the overall economic system, set an example for restructuring the urban economic system, provided a material guarantee of national economic growth, and resolved the age-old concern over the problem of subsistence. We can say that the overall rural situation today is the best that has existed since the People's Republic of China was founded. However, we must keep a clear head in this generally fortunate situation and make sure to analyze the rural situation correctly and completely. We must confirm and review the enormous successes and experiences achieved in the first step of rural reform, and we must recognize the many problems that still confront us, remaining to be studied and resolved. Consequently, we certainly cannot be blindly optimistic and lower our guard. We must even more meticulously and effectively guide the rural work facing us.

We absolutely must recognize that, by comparison with the nation as a whole, the rural economic situation in Shaanxi is still at a relatively low level. The lagging state of agricultural production has not changed in any fundamental way, the percentage of marketable products is lower than the average national level, and the per capita net income is 23.5 percent lower than the national average. Only a tiny minority of the populace has truly become prosperous, while the vast majority of peasants are only beginning to resolve their subsistence problems. We cannot say that agriculture has already "crossed the line."

Currently, approximately 10 percent of the peasantry in the province still live in a state of poverty or relative poverty. We must also realize that to a large extent the rural economy in the past few years has been in a state of recovery. In agriculture, the successive bumper harvests have primarily been achieved due to proper central policies that aroused farmers' production initiative and due to the full realization of potential under existing production conditions. Our overall agricultural production base is still very fragile and productive forces are at a very low level. From the standpoint of agricultural investment, after the responsibility system was implemented the rural production unit shifted to the single family or household, and fund accumulation became extremely slow and quite decentralized. There were likewise few funds in the former rural production units, nor any way they could form a productive capacity on any scale within a short time. Furthermore, at present the state cannot take over these funds at will to support agriculture.

As far as the basic conditions of agricultural production are concerned, material equipment, power installations for farm use, and agricultural machinery are also very backward. Cropland water conservancy facilities are of course at a very low level. The entire province originally had an irrigated area of 19 million mu, though in practice the effective irrigated area has never exceeded 12 million mu. Furthermore, in the past few years the effective irrigated land area has declined somewhat due to capital construction on the land, flooding and waterlogging, and our own mismanagement. Cultivated land area has also declined year after year. In

some localities the past few years have seen reduced investment in the land, declining soil fertility, admixture of crop varieties, serious blight and insect damage, and some weakening of crop protection work. Agriculture in Shaanxi, particularly cultivation and breeding trades, is to a large degree limited by natural conditions.

As far as the farmers are concerned, because they have long been affected by the mindset of the small-scale peasant economy and have lacked a concept of commodity production, the vast majority are deficient in essential science, technology, schooling, and know-how. Even the "capable individuals" in a village for the most part have a fairly low educational level and meager scientific understanding or other attainments.

All these factors reflect that in the present stage our forces of production are still at a level that is very far from meeting the demands of modernization. In the future we must make further new breakthroughs, guarantee stable growth, and accelerate the transformation from a self-contained or partially self-contained economy to a commodity economy and from traditional to modernized agriculture. We must also realize the general goals and duties set forth at the 12th Party Congress of the CPC and make even more arduous efforts. Consequently, we can in no way conclude that agricultural problems have already been resolved. We must further study and better understand the idea that agriculture is the foundation of the national economy. For a long time to come we absolutely must make agriculture and rural economic development the major foci of growth in the national economy and the order of the day, persevering in them unremittingly.

Thus if we are to carry on in agriculture, and if we are to realize the objectives of our struggle by the year 2000, what are our primary tasks? Where should we direct our efforts? First, all provinces, prefectures and counties must resolutely implement the various central government policies concerned with expanding the rural economy and carrying out rural reform. At the same time, we must issue certain essential supplementary stipulations aimed at concrete conditions in Shaanxi. The first step of rural reform was mainly to break free from "eating out of the same pot" and to implement the agricultural production responsibility system. In practice it was a readjustment of the relations of production, and it aroused the productive initiative of the broad masses of peasants. The second step of reform is primarily to resolve the problem of an undiversified economy, readjust rural industrial composition, comprehensively develop the rural economy, and forge ahead toward commercial production. Following the growth of commodity production we must also promote technical transformation in agriculture and resolve problems of agricultural modernization. Consequently, based on the constantly developing situation, we must promptly advance and formulate new policies and promote rural economic growth.

The second major task is to rely on science and technology to improve output and output value in every rural industry. Science and technology include making constant improvements in the basic conditions of agricultural production and providing agriculture with unending supplies of all kinds of goods and materials, technical equipment, water conservancy installations, machinery, chemical fertilizer, improved varieties, crop protection, and so

forth. In this land of many people and little arable land, we must rely chiefly on scientific cultivation of cropland to expand agriculture and we must engage in intensive farming to improve the yield per unit of area. On a relative minority of the land we are able to produce more grain, oil-bearing crops, tobacco, and fodder, and raise more swine, cattle, and sheep. To achieve this we must revise industrial composition and rely on science and technology. We must recognize that science and technology offer boundless potential for expanding agriculture, and we must see that there is a lot of work we must do in this area.

The third major task is to depend on intensified agricultural management and administration. This includes improving the standard of peasant household management and developing and perfecting rural cooperative economic organizations. In the wake of the revision of industrial composition, there are some jobs that the single family or household cannot handle. For example, we cannot depend on the single family or household to handle the construction of water conservancy projects or the purchase of large farm implements, so the countryside must have the facility to bring forth new cooperative organizations continually. This means joint economic organizations of various dimensions, diverse forms and different levels; organizations that are determined by the level of development in the forces of production and that are produced naturally, in absolute accordance with the patterns of economic growth. In rural management and administration we must make constant improvements in the standard of peasant household management, and at the same time we must conscientiously resolve the problem of how to improve levels of economic management and economic results in new cooperative organizations. This is also a synthetic science.

To improve management and administration we must do the following things: establish an ideology of commodity production; apply the law of value and economic leverage to guide and assist cooperative economic organizations and the vast peasantry in making correct management decisions; increase income; and improve results. Thereby, the many farmers will be able to reach prosperity one after another. Natural economies and small-scale peasant economies do not practice business accounting, calculate costs, or pay attention to how to improve the level of management and administration or increase results. Neither do they observe market information, the relation between supply and demand, commercial competition, and so forth. We must strive to transform these weaknesses so as to conform to the new state of growth in rural commodity production, to guide and aid peasant households and new rural cooperative organizations in constantly perfecting management and administration, and to improve management standards and economic results.

II. Uphold the Policy To "Never Slacken Grain Production But Actively Develop a Diversified Economy," and Do a Good Job of Revising Rural Industrial Composition

After household management and the output-related system of contracted responsibility were implemented in the countryside, and after we succeeded in restructuring the cooperative economy and we readjusted the relations of production, the central government promptly advanced the proper ideology to guide the rural transformation from self-contained production to commodity

production and from traditional agriculture to modernized agriculture. Following this in quick succession, they proposed to revise rural industrial composition and accelerate development of commodity production. Beginning in 1985, they also restructured the state monopoly procurement and marketing system that deals in farm and sideline products, implemented contract procurement quotas and market regulation, and used the market as a mechanism to guide agricultural production. By so doing, they provided for planned, coordinated growth. These are all proper measures that conform completely to the objective patterns of rural economic development.

Revising industrial composition is a further major step in restructuring the rural economy, and it is the only way to achieve agricultural modernization and raise the peasantry out of poverty. To revise rural industrial composition is first of all to change the undiversified rural economy and achieve a unification of farming, forestry, and animal husbandry; of cultivation, breeding, and processing; and of agriculture, industry, and commerce. In particular, it assaults the age-old, cultivation-centered production mix, expanding rural industry; processing, storage, packaging, and transport of farm and sideline products; and service, construction, and other trades, and promoting comprehensive rural economic development.

At the same time, we must further readjust the internal composition of agriculture and of cultivation trades. In revising industrial composition we must handle correctly any contradictions or new problems that appear in the readjustment process. We must handle satisfactorily the relations between grain production and cash crops; grain production, after all, is our major material base. Our current level of grain production is still very low and per capita grain ownership is also meager. In addition, it will be unfortunate if we do not have enough grain for future expansion in animal husbandry. Furthermore, expansion in grain production is uneven; some areas have plenty of grain and other areas are still short of grain. In terms of grain production conditions in Shaanxi, the harvest is basically a matter of fate, and passivity is the rule at all levels. In 1984 Shaanxi broke the 20-billion-jin grain production barrier, yet in 1985 output is projected to decline by 10 percent. Consequently, we must resolutely implement the policy to "never slacken grain production but actively develop a diversified economy," and, on the basis of guaranteed stable increases in grain production, we must accelerate the pace of readjustment in industrial composition.

From a province-wide perspective, the current problem is not that there is too much pressure on grain land or that cash crops have sprung up too rapidly. The cash crop ratio in Shaanxi is low--at any rate it is certainly not excessive--and we still have not fundamentally broken free from the traditional proportions of cash crops and grain crops. The rate of cash crop expansion is also quite slow. The variety, quantity, and quality of cash crops is still far from meeting light industry and textile industry needs or people's daily wants. Hereafter we must make great efforts to develop cash crops. Instead, the major problem is that the level of grain production per unit of area is low, and cash crop development is still very slow. Consequently, neither grain crops nor cash crops can rely on area expansion. You crowd me and I crowd you, so we must practice intensive farming, attach

the greatest importance to applications of new science and technology, and work hard at all levels to increase the unit yield.

In some localities slackened grain production has appeared in recent years, primarily because the peasant masses have long been guided by "leftist" ideology, and "eating out of the same big pot" has made them frightfully poor, hungry, and deceitful. Now the implementation of the production responsibility system has stimulated the relaxation of policy restrictions, but peasants still worry a little, so everyone wants to hurry and hustle a little money. Simultaneously, farm produce has been affected by market prices and almost anything can be sold for cash. Thus, the farmers are cultivating all sorts of things and in some cases going so far as to operate in a predatory fashion. This problem should be of concern to us; we must actively guide the peasantry to follow the proper course in expanding commodity production, but we must also be aware of this temporary phenomenon. If we believe that the reduction in grain area in some localities is because none of the farmers wants to raise grain, this is not the whole story. Farmers have a very great dependence on the land and on grain, and everyone must eat. After the farmers come to have an abiding faith in our policies, in the wake of constant revisions in pricing policies the farmers may make long-range plans, invest in capital construction on farmland, accept new science and technology to improve commodity grain yields, and increase their incomes.

We must handle the relationship between agriculture and rural work in a satisfactory way, and we must especially strive to develop township and town enterprises. Township and town enterprises must serve agriculture and focus on initiating processing industries for farm and sideline products. However, they must not completely do away with all conventions and restrictions of the past. In expanding township and town enterprises, we must consider the condition of both natural resources and of technical and talent resources, and we should look upon the latter two as most important. Some of our comrades often see only the importance of natural resources and do not recognize the importance of talent and technical resources; this is one-sided. The major factor in rapid township and town enterprise development in some advanced provinces and autonomous regions is precisely their superiority in technical and talent resources. In some of Shaanxi's city suburbs talent and technical factors are very good, so why is it that we cannot develop some "high-grade, precision, advanced" items? Now, through import adjustments and joint cooperation, if the talent, technology, and market need exist there can be economic growth even without natural resources. That being the case, with the great abundance of natural resources all over Shaanxi--there is a large volume of coal north of the Wei He and in northern Shaanxi, and in the Qinba Mountain Region in southern Shaanxi there are many kinds of mineral resources underground and a biological treasure house above ground--human talent and technology are the key to whether we can use these potential advantages to develop the economy. In processing industries for farm and sideline products, although we are not lacking in natural resources, we are still short of talent and technology. Thus, if we want to do well in developing township and town enterprises, the crucial condition is that we must discover, foster, and import qualified people, and we must study and apply advanced science, technology, and management practices.

If we are to implement agricultural modernization, a large portion of the labor force must be withdrawn from farming and move off the land, shifting instead to rural industry, services, and other trades. China is a huge country that has an 80 percent rural population; her cities have a low capacity for absorbing more people. We must turn primarily to township industry to absorb the excess right on the spot, and we must build small cities and towns to develop rural and tertiary industry. Thus, if we are to continue our all-out efforts to develop township and town enterprises, of course we must take care to sum up our experiences and lessons and overcome the tendency to blind action.

Care must also be taken to combine this with a comprehensive technological transformation in agriculture. As far as possible, all newly opened industrial sectors, new construction projects, and newly developed products should be established upon a basis of advanced technology. We should improve product quantity and quality, enhance the competitive capability of commodities, and raise economic results. If our products are not only to enter the urban market, but also to be in contention to break into the national market and enter the international market, then we must combine this with our gain from dividing into agricultural districts, and we must handle matters according to natural laws. Our gain from dividing into agricultural districts is the scientific basis that guides rural economic development. We should bring this function into play in revising industrial composition; we must determine the rational distribution of every rural trade. In this way the revision of industrial composition and the overall restructuring of the rural economy will be established on a scientific basis.

We must attach great importance to augmenting land management work. Our basic national policy is to truly treasure and rationally utilize every inch of land, protecting cultivated land. Per capita cultivated land in Shaanxi has been declining on a major scale; in the early years after the founding of the PRC we had 5 mu of cultivated land per capita, and now this has dropped to 2 mu. The average annual decline in cultivated land has consistently been around 300,000 mu. This is an extremely grave problem, and we must resolutely correct certain local cases of disregard for the land, reckless occupation and misuse of it, and trade in cultivated land. Relaxation of restrictive policies to stimulate the economy does not mean that we can relax restrictive policies to stimulate land management rights. The land must be managed lawfully and controlled strictly, and we must rigorously carry out reporting and approval procedures. We cannot under any circumstances recklessly approve occupation of the land that greatly reduces cultivated area. New construction of township and town enterprises and cultivation of the various cash crops must as far as possible avoid occupying good fields. We must make full use of barren slopes and uncultivable or inferior land.

III. Improve Working Style and Augment Construction of Grassroots Rural Organizations

The tasks now facing rural areas are arduous and extremely formidable. This fact demands that each and every cadre among us have an excellent mental attitude; a poor mental attitude is very dangerous to our undertaking. We absolutely must do our jobs in a down-to-earth and fruitful manner, as comrade

Deng Xiaoping indicated when he said to "make less idle talk and do more real work." Or, as comrade Hu Yaobang has explained: "We must do real work and make painstaking efforts; we must not pay lip service or make a sham of our skills."

The implementation of the rural production responsibility system and the development of commodity production have brought about historic changes overall in rural work, the rural economy, and the rural situation. How to adapt our ideological style and our working methods to suit this changed situation is an urgent task that faces all party comrades, particularly comrades on the agricultural front. A popular saying among comrades on the agricultural front is to "shift tracks and change the pattern." I believe that not only on the agricultural front, but for all comrades working in the countryside, there is a demand that they adapt to the new situation and face the problem of satisfactorily "shifting tracks and changing the patten." Rural work and rural production leadership must be shifted from its past reliance primarily on administrative decrees and administrative management methods and move toward service to develop rural commodity production, to do good jobs in all rural work, and to help production for thousands of households. Our current working style and methods are still far from compatible with the new situation, and our approach to work in this area is still not completely clear. Under "leftist" guiding ideology and the system of "tripartite ownership by commune, production brigade, and production team, with the production team as the basic accounting unit," everyone has long been accustomed to relying on administrative decrees or depending on a directive program to guide economic work. Today we have shifted to single family or single household production, and it has already become unsuitable and unworkable for us to continue using the old methods we once used for managing the collective economy.

Nobody yet has the experience or the means to tell us how to institute guidance of the single family, single household economy, nor has the leadership provided prompt help to people in analyzing experience in this area. This is one of the major reasons for the state of paralysis or partial paralysis in many grassroots organizations. In order to guide rural work more effectively, we should make this problem the major order of the day. We must realize that after the enormous transformation in the countryside the peasants have ever greater demands and expectations of us. They expect that our cadres will be better able to guide them in developing commodity production and to help them prosper rapidly. It should be remarked that working in the countryside is not something one can do with no effort; on the contrary, it is one of the more arduous jobs. As for macroeconomic leadership, the agricultural sector poses the following requirements: just the right aides at every level of leadership; a satisfactory job of rural economic regulation and control; and promotion of coordinated, balanced expansion in the rural economy. In addition, in every aspect of information, funding, talent, technology, commodity circulation, policy advisement, legal counsel, and organizational coordination, the farmers call upon us to come up with ideas, think of methods, handle anxieties, resolve difficulties, and help them solve practical problems that the single family or household cannot handle. Yet many of our comrades today have very little basic understanding of commodity production, are not too familiar with party policies, and have not mastered

the skill of using economic leverage to regulate production. This situation must be changed quickly.

Shaanxi's Provincial Party Committee recently discussed this problem and suggested that we must follow a plan to rotate training of grassroots cadres (including administrative party cadres working in the countryside and cadres doing rural economic work) and improve quality in cadre ranks. It is not enough just to train township magistrates, party committee secretaries, village chiefs, and branch secretaries. Now, in the wake of the growth of commodity production, economic administrative organizations have become exceedingly numerous and jumbled, and we must train credit cooperative directors; agricultural, industrial, and commercial managers; local police chiefs; directors of industrial and commercial management offices; and so forth. Because every trade directly affects rural work, production, and economic growth, we must foster, through a stress on study and training, a contingent of grassroots cadres that can adapt to the new situation and meet the new job requirements. This is a tremendous strategic undertaking. Training must both improve professional quality and raise consciousness for a good working style. Of the current problems in grassroots cadre working style, one of the most prominent is that many cadres do not do a thorough job, nor do they shoulder responsibility; rather, they merely work in subsidiary and uninvolved positions. Of course, there are also a very few cadres who use their power to work for themselves, even to the point of violating law and discipline, and the masses take vigorous exception to them. Consequently, all over Shaanxi we must make improving the political and professional quality of grassroots cadres a primary task for the winter of 1985 and spring of 1986. Local county party committees must have one person who is primarily responsible for concentrating forces and taking charge of work in this area. Through training we must cultivate a public service ideology and improve policy standards and professional capabilities.

Simultaneously, we must conscientiously take charge of building grassroots party organizations in the countryside. Right now there are many problems in this area; one could call it a prominent weak link in rural work. In many localities political and ideological work is weak and ineffectual, and a number of party branches have been inactive for a long time, so that some of the masses believe current rural party organizations have done nothing. Some branch party secretaries and township party committee secretaries are busy building up their own family fortunes and have completely ignored their jobs. Some village party committees, Women's Federations, people's militias, and other mass organizations exist in name only, and some have disbanded completely and serve no function at all. Some localities have launched new work for party members, yet nobody has taken it up. The role of the party organization as a bastion of action and the exemplary role of the party member have clearly eroded. These problems have blocked administrative decrees and obscured the wishes of the masses in some rural localities, and they have gravely affected implementation of party lines, principles, and policies. As a result, in some localities unhealthy trends and evil practices have developed, bringing superstition, gambling, witchcraft, and sorcery to deceive the masses, and nobody resists or investigates.

The provincial party committee has decided that in the winter of 1985 and spring of 1986 we must unite and consolidate the party organization and overhaul and reorganize rural grassroots organizations by stages and groups. We must chiefly resolve the problem of how party organizations can function as bastions of action and how party members can play their vanguard exemplary roles in this new state of affairs, and thus strengthen the socialist ideological front in the countryside. Beginning with the fourth quarter of 1985, from the province on down to the county all levels of party and government organizations, and some institutions, are transferring a total of 5,000 cadres to assist with grassroots work (about 1,000 are from the provincial level). The focus is on the poor, backward areas of northern and southern Shaanxi. The cadres major tasks are as follows: to assist with consolidation and augment construction of grassroots organizations, train cadres, make a success of revising industrial composition, guide the development of commodity production, aid poor and backward regions and peasant households, formulate programs to control poverty and bring prosperity, and progressively change the face of poverty. Through a 3- to 5-year effort, we are striving to bring about a significant change in the appearance of poor mountain regions throughout the province. This program not only answers the need for enhanced grassroots work, it is also a very good organization for training and toughening cadres, and it provides a broad and intense investigative study. It will be of great benefit in improving the style of leading organizations, in understanding the wishes of the masses, and in controlling bureaucraticism. The provincial party committee appeals to all party and government cadres to participate enthusiastically in this effort.

Finally, I particularly wish to point out that comrades who work at the agricultural front have a very hard job. Without the strenuous efforts and arduous struggles of our comrades at the agricultural front, the last few years could have seen no success in agricultural reform, no rapid recovery and development of agricultural production, and no such splendid situation in the countryside. Naturally, as we forge ahead difficulties remain to confront us. For example, agricultural funding is insufficient, and, as was reported in the conference bulletin, there are practical financial difficulties and problems that persist in the working and living conditions of cadres doing farming and animal husbandry work. These things should be of concern to us and we should adopt measures to resolve them step by step. I also hope that everyone will strive together to overcome financial difficulties, solve remaining problems, and do a better job in rural work. I hope prefectural and county comrades will stress agricultural problems to a greater degree and further enhance agricultural leadership. I must stress here that agriculture is still the major foundation of the national economy. For the foreseeable future it will continue to be one of our major strategic responsibilities to focus on agriculture. I hope that everyone will further cultivate the idea that agriculture is the foundation of the national economy, and that they will unite with one heart, work ceaselessly and unremittingly, and make a new contribution to sustained growth in Shaanxi's agriculture.

12510
CSO: 4007/158

BRIEFS

SHORTAGE OF EDIBLE OIL--With the development of the food industry and the rise in living standards in the past few years, the need for edible oil continues to increase, throughout the nation the supply of edible oil is short, thus the transfer of edible oil to Shanxi is being reduced. It is reported that Shanxi will need 100 million jin of edible oil every year, the province can only provide 50 million jin. In 1983, the state transferred 50 million jin of edible oil to Shanxi, in 1984 it was reduced to 10 million jin, last year edible oil was in great demand in urban and rural areas. In addition, last year the area planted to cotton was greatly reduced in Shanxi, thus the amount of edible oil that could be extracted was insufficient; many areas used sunflowerseed oil to cook, because of natural disasters the area planted to huma was also reduced. For the reasons mentioned above, sources of edible oil in Shanxi are severely limited. Last year the planned procurement quota was 51 million jin, however, as of the beginning of January 33.67 million jin had been procured, accounting for 66 percent of the procurement task. Based on estimates, this year conflicts in supply and demand for edible oil will not be alleviated in Shanxi. [Excerpts] [Beijing NONGMIN RIBAO in Chinese 20 Feb 86 p 2]

CSO: 4007/323

CHONGQING NOW SELF-SUFFICIENT IN PORK PRODUCTION

OW071320 Beijing XINHUA in English 0631 GMT 7 Mar 86

[Text] Chongqing, 7 March (XINHUA)--Chongqing has become China's first large city to be self-sufficient in pork production, a local official said here today.

Located in southwest China's Sichuan Province, Chongqing's 14 million residents consumed an average of 29 kilograms of pork last year and still were able to provide 85,000 tons of the meat for other provinces and export.

Since China's economic reforms--tying income to output--began in the countryside in 1979, Chongqing's bacon production has increased every year.

Last year, the government stopped regulating pork prices, and production skyrocketed 23.2 percent over 1984, with farmers raising a record 14.62 million pigs and producing 417,900 tons of pork, the local official said. Many have begun using advanced breeding techniques that fatten the pigs more and faster than conventional methods.

Altogether, said the official, 130,000 peasant families in Chongqing specialize in raising pigs, and some of them sell more than 100 every year.

Chongqing has 12 rural counties and 8 districts under its administration, with a total population of 10 million.

To encourage the peasants, the local government sells them 35 kilograms of grain at subsidized prices for each hog sold. A minimum purchasing price has also been set for commercial departments to protect the peasants against price drops.

/12232
CSO: 4020/251

SICHUAN

BRIEFS

TEA OUTPUT--At present, Sichuan is expanding tea exports, tea is being sold to 22 countries and regions such as the United States, England, France, West Germany, and the Soviet Union. Last year, Sichuan exported more than 6,400 tons of tea, overfulfilling the annual plan by 25 percent. The export volume increased 65 percent over 1984, and earned more than 10 million U.S. dollars in foreign exchange (Chongqing City is not included). Sichuan is a major tea-producing area in China. The area planted to tea is more than 1.7 million mu, tea output is third in the nation. In the past few years, Sichuan tea output and exports have increased, the volume of tea exports in 1985 was 25 percent that of 1980. Revelant sectors in Sichuan are improving and popularizing new processing techniques to raise quality and improve competitiveness in foreign markets. [Excerpts Beijing NONGMIN RIBAO in Chinese 13 Feb 86 p 2]

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China Report

AGRICULTURE

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CHINA REPORT
AGRICULTURE

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ON ROLE OF RURAL AREAS IN ECONOMIC DEVELOPMENT

Beijing ZHONGGUO CUNZHEN BAIYEXINXI BAO in Chinese 8 Nov 85 p 1

[Article by newspaper's special editor: "Basic Changes in Rural Economic Development Strategy"]

[Text] The last 6 years of accomplishments and reform in China's rural economy are a totally new phenomenon. At present and in the near future, it will be necessary to make several important new decisions to continue to develop our rural economy with its population of 800 million people. Since the rural economy and the national economy are more closely interrelated today than ever, we must carefully draw up important policies to further develop rural areas; we must not only consider the particular requirements of the rural economy, we must also bear in mind strategic decisions regarding the overall development of the national economy.

China's national economy is right now entering a new growth stage which will cause large, important modifications in the production structure. The situation and speed of future national economic growth will in large part depend upon the state of the new production structure and on the speed of its adjustment. The national economy in this new growth stage will be encountering new motives for advancement and will be satisfying new consumer demands.

Because of the unique national situation and because of developments that have already occurred, China's structural change cannot help having numerous special features of its own; at the same time, China is also facing great difficulties.

Some of the important difficulties are the need to rely on non-essential goods to stimulate economic growth, while keeping this kind of demand from completely disassociating itself from our actual conditions and keeping it from having deleterious effects on the development of our production structure, how to reconcile goals of structural change to satisfy demands for more luxury goods and the full employment of an enormous population with severe capital restrictions, and how to move several hundred million peasants from the land and enter other production sectors, but not increase the proportion of manufacturing industries in the national economic structure very much. The structural changes needed to solve these problems are not just idealistic

"industrialization," but the need to meet a higher level production structure for China's national situation. This must be accompanied by basic changes in economic relationships and opportunities.

We must carefully plan China's role in the arena of global economic competition.

For these reasons, China's rural development must not be separated from considerations of overall national economic decisions. The basic economic function which our rural areas must provide to this new stage of national economic growth must be, first, to strengthen the agricultural supply base, and enable it to stand up to the new supply and demand situation for machine-processed agricultural products, and support long-term structural changes in the national economy; second, to transfer the excess agricultural labor force to other production sectors of the national economy. The different ways of solving rural problems will produce different effects on the national economic situation. Only if the agricultural question is closely linked to the overall situation, can we choose the basic economic function for rural areas in this new growth stage. With this in mind, we should analyze the following basic issues: first, consumption patterns or lifestyles; second, the supply situation and distribution of production; third, relationships between urban and rural areas; fourth, regional policies; fifth, levels of progressiveness; sixth, income policies; seventh, economic behavior of the government and enterprises; and eighth, organization anD self-organization. These choices may provide a basis for a number of policies on rural development in this new growth stage. If these questions are not resolved well, it will be difficult for rural areas to fulfill their two great functions in this new economic growth stage.

9990/9312
CSO: 4007/132

RURAL REFORMS ENCOURAGE AGRICULTURAL EXPORTS

Beijing ZHONGGUO CUNZHEN BAIYEXINXI BAO in Chinese 20 Nov 85 p 1

[Article by Mao Gongnong [5399 0364 6593] : "Continue To Readjust Rural Production Structure and Further Develop Reform; Total Agricultural and Sideline Exports Account for 60 Percent of Foreign Exchange Earned"]

[Text] China's exports of agricultural and sideline products, and processed goods during the 6 years since 1979 account for more than 60 percent of the foreign exchange earned for the period. In 1984, the foreign exchange earned from exporting agricultural, sideline, and processed goods reached $10.8 billion, which was 77 percent higher than the value earned in 1979. Of these, exports of agricultural and sideline goods rose 53 percent and exports of processed agricultural goods and sideline products rose 97 percent. This year, in January through May alone, total export sales of grain, oil, and other foodstuffs amounted to $1.632 billion.

Among our nation's 1984 agricultural, sideline, and processed goods exports, those that earned more than $200 million were the following: canned goods, tea, rice, aquatic products, beans, dried fruits and vegetables, hogs, mountain produce and feed (dried sweet potatoes, clover meal, not including corn); products that earned more than $100 million in exports were carpets, linen and linen products, spices and spice oil, frozen pork, vegetables, down and down products, hog bristle and other bristles or tails; products that earned more than $50 million were fish, fruit, egg products, housebirds, and goatskins.

The Central Government's Seventh 5-Year Plan calls for continued growth in exports of agricultural and sideline products and especially further development of the good position of our traditional light and textile industry and our new food industry to increase exports. We can look forward to an estimated growth in exports of agricultural, sideline and processed products of 40-50 percent or even more during the Seventh 5-Year Plan.

Therefore, agricultural production should follow international standards; we should introduce advanced production techniques, industrial processes, and packaging systems, and should strive to systematize, centralize and modernize agricultural export bases, concentrate specialized functions and consolidate scattered operations. "Ordinary" exports should gradually be developed into

high-quality exports; inferior processed export products should be developed into fine processed products.

At Fushan city in the Zhu Jiang delta area, there are planned or being developed a number of attractive, high-quality export bases: among the ten existing trade and export bases there are four for seafood, which handle tortoise, snake, eel, carp, two kinds of shrimp, soft-shell snails and other special aquatic products; there are also the Nanhai Shishan lean pork, egg, and poultry base; the Nanhai Xijiao sweet corn base; the Nanhai Dali District and Danzao District force-fed duck base; the Nanhai Guanyao "horse hoof" base; the Nanhai Lishui District vegetable base; and the Zhongshan pigeon base. In addition, in the Xiamen-Zhangzhou-Quanzhou triangle of southern Fujian, in Zhangpu County, based on the advantages of "land resources" of the whole county, a seafood breeding center, a flower and fruit center and a cane sugar center have been established and unified, and will strive during the Seventh 5-Year Plan period to earn at least 12 percent of foreign exchange from exports.

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CSO: 4007/132

NATIONAL

TRENDS IN HOG PRODUCTION, SALES REPORTED

Beijing ZHONGGUO CUNZHEN BAIYEXINXI BAO in Chinese 29 Oct 85 p 2

[Article by Xiang Ning [2895 1380]]

[Text] I. Production and Sale of Hogs Continues To Develop

This year, Central Committee Document No 1 and State Council Document No 35 on cancelling assigned procurement of live hogs in all areas were welcomed enthusiastically by the rural masses, and production of hogs has continued to develop. Based on a survey of 197 counties in the twelve principal hog-producing provinces of Hebei, Shanxi, Jiangsu, Zhejiang, Anhui, Jiangxi, Shandong, Henan, Hubei, Hunan, Sichuan and Shaanxi, total stocks of hogs have increased 4.5 percent over the same period last year. Of these, boars and sows increased 9.1 percent; the proportion of boars and sows amounted to 7.21 percent; fattened pigs increased by 3.5 percent; the number of those below 100 jin remained the same as last year, those above 100 jin increased 12 percent, those above 150 jin increased 27 percent, and those above 200 jin increased 30 percent. Looking at conditions in each province, except for Shanxi, Jiangsu, Zhejiang, and Hunan, in which the number of pigs on hand and fattened pigs declined from last year, all other provinces registered an increase.

II. Hog Purchases and Sales

Based on analysis of resources in each county in the third quarter of the year, the number of fattened pigs was 7.4 million, an increase of 140,000 head, or 1.9 percent, over the same period last year. State-run commercial enterprises bought 4.44 million, a decrease of 1.09 million head, or 19.6 percent, from the same period last year. Procurement accounted for 60 percent, a decrease of 16 percent from last year; 3 million head were slaughtered for market, an increase of 1.22 million head, or 68.54 percent, over the same period last year, and accounted for 40 percent of the output. State-run commercial enterprise purchases of hogs decreased in every province, except Shandong and Sichuan, where they increased.

It is estimated that state-run commercial sectors (county level or below) sold 1.75 million hogs, a decrease of 44 percent from the same period last year. Except for Jiangsu province, which maintained the same level as last year, all

other provinces registered a decline. The provinces with the greatest decrease were Zhejiang and Hunan, both had decreases of over 60 percent; Hebei, Shanxi, Jiangxi, and Hubei also had decreases of around 50 percent; the other provinces had declines of around 20 percent.

Estimated shipments out of the counties were 2.77 million head, an increase of 13 percent over the same period last year, making up 62 percent of total purchases. Provinces with increases in shipments over the same period last year were Hebei, Zhejiang, Anhui, Shandong, and Sichuan. At present, all the counties are being affected by difficulties in local sales of hogs as well as difficulties in sales to other areas. There are quite a few problems which call for taking appropriate measures to improve the new situation effectively.

9990/9312
CSO: 4007/132

WHEAT RESEARCHER DESCRIBES EFFORTS TO IMPROVE PRODUCTION

HK190831 Beijing CHINA DAILY in English 19 Mar 86 p 5

[Article by staff reporter Yang Xiaoping]

[Text] Wheat, the world's most popular crop, is grown on about 29.3 million hectares in China, second only to rice.

Better breeding and cultivation techniques have greatly increased wheat production. In 1984, China's wheat yield reached 2,910 kilograms per hectare, a little higher than the world average of 2,625.

Since liberation, development of wheat cultivation has been satisfactory, said Zhu Dehui, research director of the Institute of Crops under the Beijing Academy of Agricultural Science.

"In the 1950s, we lagged behind world levels. In the 1970s, we began to catch up, and in the 1980s, we made some notable breakthroughs."

But Zhu, who started wheat research in the 1950s, said that although output of low-yield areas is increasing rapidly, that of high-yield areas has been wavering or decreasing in recent years.

"To keep output in high-yield areas stable, cultivation techniques must be standardized," he said. "It is not enough to rely on farmers' experience and previous techniques used."

Zhu resumed wheat research in 1973, after a seven-year hiatus during the "cultural revolution." A cooperative experiment was begun covering most of Beijing's suburb, where winter wheat is the prevailing type grown. After two years, Zhu and his colleagues recommended "three methods" and "two patterns" as suitable for wheat cultivation under various conditions in the Beijing area.

The "three methods" refers to sowing methods for three types of soil fertility. "If the soil is fertile and sowing is done early, we usually lay down 150 to 225 seeds per square metre," Zhu explained. For soil with moderate fertility, we sow about 300 per square metre, and when the land is barren or the sowing is done late, 375 to 450."

The "two patterns," known as "V" and "W," refers to usage of water and fertilizer during the growing period.

W-pattern means to fertilize and water the plants twice besides the basal dressing--before the stalk begins to grow erect in the early spring, and later at the elongation stage. "This pattern is used for ordinary soil conditions," Zhu said.

"But when the soil is fertile, and the plants are sturdy and have had adequate moisture before erection, we recommend the V-pattern. That means only at the time of elongation should topdressing and irrigation be given. This prevents the plants from growing overexuberant and falling over, and it concentrates more nutrients in the spikes and grains, increasing yields."

The three methods and two patterns have proved successful around Beijing, but they are not applicable to all of China, for climate and soil vary from north to south. What is there about wheat that might be common everywhere and could be used in plant management? Something that could be easily observed?

Leaf age index seemed a likely answer, but the problem was that in north China winter wheat grows 13 to 16 leaves and in the south only 12, while spring wheat has only seven to nine.

"But then," Zhu said, "scientists discovered that no matter what the variety or growing area it may be, the plants would begin at the same stage to differentiate and develop reproductive organs--the stage when the 4th leaf from the top is visible, which means there were only three leaves that had not yet leafed out. This proved to be the key, the point at which fertilizer and water should be added.

Since 1980, this "leaf reminder index" method has been used in some 3.3 million hectares of 14 provinces, city suburbs and autonomous regions around China. It is estimated to have been worth 700 million yuan ($233.3 million) to the farmers and the nation so far.

Their research won Zhu and his colleagues a national prize for invention last year.

"Our next target," he said, "is the standardization of all wheat production--cultivation, irrigation, fertilization--ensuring high yield and fine quality at low cost."

/9716
CSO: 4020/237

NATIONAL

PRC PROMOTING SUBSTITUTES TO CONSERVE TIMBER

OW200942 Beijing XINHUA in English 0853 GMT 20 Mar 86

[Text] Kunming, 20 March (XINHUA)--China is replacing timber, which is in short supply, with plastics, metal and other materials, according to a national timber conference, which closed here this week.

A total of 45 million cubic meters of timber were saved during the 1981-1985 period by such methods, exceeding the state quota by 12.5 percent.

The use of metal supports in coal mines has helped the Coal Industry Ministry reduce the amount of mined timber from 101 cubic meters per 10,000 tons of coal to 72 cubic meters over the past 5 years.

About 1 million cubic meters of timber were saved in the packaging industry last year, compared to 200,000 cubic meters in 1980 as a result of adopting more substitutes.

Plastics decks for fishing boats and ferries, developed last year, will help China save more timber.

China's forests cover 115 million hectares, and total timber resources are estimated at 9 billion cubic meters, according to a 1985 report.

However, forestry acreage and per-capita timber supply in China is lower than the world average, the report said.

/12232
CSO: 4020/240

CHINA TO IMPROVE, EXPAND GRASSLAND AREAS

OW121729 Beijing XINHUA in English 1437 GMT 12 Mar 86

[Text] Chengdu, March 12 (XINHUA) -- China will improve and expand its grassland area by 10 million hectares by 1990, up from 6.6 million hectares in the 1981-85 period, to promote animal husbandry.

Meanwhile, according to reports from a recent national working conference on grasslands here, 20 reserves will be designated for grassland protection.

China has a total of 400 million hectares of grassland at present.

The state allocates up to 500 million yuan a year for grassland development and has set up four institutes to study the development of prairies. More than 100 counties in 28 provinces, municipalities and autonomous regions are able to supply themselves with seeds.

Local governments and individuals raised a total of 150 million yuan to improve grasslands last year, three times the state investment. The current policy allows people who take care of the grasslands to have the right to raise sheep and cattle there.

As a result, areas of improved grassland have expanded by 1.3 million hectares a year since 1981, exceeding the speed of desert encroachment, which is a problem in these regions.

Thanks to planting grass and trees each year since 1981 on 200,000 hectares of the Mu Us and Hobq deserts in Ih Ju League (prefecture), in the Inner Mongolia autonomous region, the rate of green coverage in the league rose from 30 percent in 1981 to 60 percent at present.

More grass has ensured the increase of livestock and helped improve the living standard of the local people. The income of herdsmen in the league has increased 2.3 times in the last few years, to 355 yuan last year.

/9716
CSO: 4020/237

OFFICIAL REPORTS EFFORTS TO CONTROL DESERT

OW221838 Beijing XINHUA in English 1654 GMT 22 Mar 86

[Text] Beijing, 22 March (XINHUA)--China has become one of the most seriously desert-affected countries as a total of 39,000 square kilometers of land has become desert over the past 25 years, a senior official from the State Meteorological Administration said here today.

Zhang Jijia, deputy director of the administration, said at a seminar held to mark the world meteorological day, this is a result of over-utilized natural resources to a great extent by human beings, such as excessively grazing and felling trees on large scale, which undermined the ecological balance.

The large-scale plantation of trees and grass is one of the effective ways to improve the climate and control the land deterioration, he added.

Afforestation commissions have been set up in many localities to organize mass afforestation in the past years, and good results have been achieved. A case in point is Beijing which has afforested more than 150,000 hectares in the past 5 years, thus improving the climate to a certain extent in the capital area.

However, still greater efforts should be made to control the expansion of the deserts in China, he added.

Twenty dissertations by Chinese experts were presented to the seminar with a theme of climatic variations, drought and desertization, which was jointly organized by the State Meteorological Administration and the China Meteorological Association.

It is learned that about 6 million hectares of land turn desert every year in the world, resulting [in] an average loss of about 26 billion U.S. dollars, which has aroused attention internationally.

/12232
CSO: 4020/240

BRIEFS

POLICY HELPS RURAL PEASANTS--Beijing, 18 March (XINHUA)--More than half the poor rural families qualified for government aid last year can now clothe and feed themselves, a government official said here today. In all, about 5 million rural families broke through the poverty line following the introduction of a new relief policy, which encourages the poor to help themselves. The Civil Affairs Ministry official said 9.5 million families had received aid last year in the form of supplies and advice on how to improve production. The policy, introduced at the start of last year, gives priority to providing aid to collectives to help them diversify production, rather than merely handing out emergency relief to the needy. Meanwhile, national and local authorities are giving special help to families with production difficulties. This includes reducing or remitting their taxes and collective welfare duties, and giving them priority in receiving loans and finding jobs at local factories. [Text] [Beijing XINHUA in English 1245 GMT 18 Mar 86 OW] /12232

UNDERDEVELOPED AREAS RELIEF PROGRAM--Beijing, 20 March (XINHUA)--A 5-billion yuan national program is now under way to help peasants in China's most underdeveloped areas build highways and drinking water projects, the ECONOMIC DAILY reports today. The program is expected to help these areas--mostly arid and mountainous--to stand up on their own feed to eventually achieve prosperity, the paper says. Builders are paid with grain, cotton and cotton clothe, which will cost the government 5 billion yuan in 5 years. The program, the largest of its kind since new China's founding in 1949, will benefit about 10 percent of China's rural area, the paper adds. According to statistics from 23 provinces and autonomous regions, the paper said, 30,000 km of mountain highways and 10,000 drinking water projects have been constructed since the program began a year ago. In Sichuan and Yunnan Provinces, the paper says, new projects built under the program are providing enough drinking water for 820,000 people and 600,000 draught animals. [Text] Beijing XINHUA in English 1257 GMT 20 Mar 86 OW] /12232

MORE AGROTECHNICIANS, OFFICIALS TRAINED--Beijing , 21 March (XINHUA)--More than 1 million Chinese agrotechnicians and agricultural officials have been trained over the past 6 years, today CHINA SCIENCE AND TECHNOLOGY REVIEW reported. The Ministry of Agriculture, animal Husbandry and Fisheries was quoted as saying that while urging its departments to offer technical training courses, it has invested a total of 30 million yuan in the past few years in setting up workshops at colleges and research units for training the qualified people. More

than 10,000 people have been trained in agricultural systems engineering, and 13 colleges and universities have added this specialty. By applying systems engineering to farming, Zhuang Yuhua, associated research fellow in Loudi Prefecture of Hunan Province, raised per-hectare grain output by 10 percent and cut production cost by 10 percent. As a result, rice yield of 200,000 hectares increased by 100,000 tons and production cost lowered by 13 million yuan. [Text] [Beijing XINHUA in English 1236 GMT 21 Mar 86 OW] /12232

GRASSLAND DEVELOPMENT--Chengdu, 15 Mar (XINHUA)--China had cultivated and improved grasses on some 100 million mu of land during the Sixth 5-Year Plan, over 10 times more than the cumulative acreage completed before 1980. Since 1981, the nation has cultivated and improved 20 million mu of grass annually. A national conference on the use and management of grassland, recently held in Chengdu, analyzed the reasons for China's outstanding achievement in developing grassland, and set out the goal of cultivating and improving 150 million mu of grassland, and setting up another 20 grassland conservation areas during the Seventh 5-Year Plan. The conference called on agriculture and animal husbandry areas to plant trees, grow grasses, and improve grassland on an even larger scale in order to make new contributions to developing the animal husbandry industry in the Seventh 5-Year Plan. /Summary/ /Beijing XINHUA Domestic Service in Chinese 0809 GMT 15 Mar OW/ 12228

CREDIT SHARES--Last year, China's credit cooperatives increased peasant shares by more than 500 million yuan, the total amount of peasant shares was more than 1.25 billion yuan, accounting for 39.4 percent of credit cooperative funds. In the past few years, credit cooperatives throughout the nation have paid more than 100 million yuan in dividends owed to peasants, and have changed the past situation of share holders not getting dividends. [Text] [Guangzhou GUANGDONG NONGMIN BAO in Chinese 23 Feb 86 p 1]

NATIONAL PEANUT OUTPUT--Based on information provided by the Ministry of Agriculture, Animal Husbandry, and Fishery, in 1985 the area planted to peanuts in China was 51,542,000 mu, and gross output was 63,600,000 kilograms, a 41.9 percent and 32.1 percent increase respectively over 1984, and the best record ever. [Excerpt] [Hefei ANHUI RIBAO in Chinese 27 Feb 86 p 2] /8309

VEGETABLE EXPORTS--In 1968, China only exported 4,680 tons of quick-frozen vegetables to Japan, by 1984 exports were 14,082 tons, a 2-fold increase over 1978. China accounts for only about 8 percent of the quick-frozen vegetables imported to Japan; Taiwan exports about 50,000 tons of quick-frozen vegetables to Japan a year, accounting for about one-third of Japanese imports. [Excerpts] [Beijing NONGMIN RIBAO in Chinese 27 Feb 86 p 4]

RURAL SAVINGS SET RECORD--Beijing, 19 March (XINHUA)--Savings deposits in rural China increased by 6.32 billion yuan in the first 2 months of this year, setting a record high of 78.33 billion yuan. An official of the Agricultural Bank of China said here today that savings deposited at the bank during this period rose 32.9 percent over the same period last year. Deposits at credit cooperatives also registered a large increase. Most of the new deposits were time deposits, a relatively new occurrence. Savings deposited over the past 2 months in branch banks in Sichuan and Guangdong Provinces and Shanghai have exceeded 100 million yuan each. The bank official attributed the increased savings to the rural production structure which has raised rural income, and expanding business services by the Agricultural Bank of China and credit cooperatives to encourage savings. [Text] [Beijing XINHUA in English 1053 GMT 19 Mar 86 OW] /12232

CSO: 4020/241

TRANSPROVINCIAL AFFAIRS

BRIEF

SOUTH CHINA TREE PLANTING--Beijing, 12 Mar, (XINHUA)--The annual spring tree planting drive is already under full swing in southern China, while parts of northern China are still covered by snow. By mid-February, according to today's "PEOPLE'S DAILY", more than 460,000 hectares of trees had been planted in 10 southern provinces and autonomous regions, including Zhejiang, Anhui, Sichuan, Guizhou, and Guangxi. Of this, 100,000 hectares of trees were planted by air seeding. In addition, individuals in the area planted 310 million trees in their villages and along roads and rivers, and more than 1 million hectares of land were prepared for tree planting later this year. In Sichuan Province, fast-growing trees made up for 40 percent of those planted, while Jiangsu will plant 7,000 hectares of fruit trees on the site of the old Yellow river. All places emphasize new methods of organizing plantings in line with China's agricultural reforms that connect income with output. In Hunan, 14 state-owned farms provided local peasants with funds, saplings and technology. In return, the peasants will share whatever profits the trees subsequently earn. [Text] [Beijing XINHUA in English 1234 GMT 12 Mar 85 OW]

POLLUTION-FREE VEGETABLES--More than 10 northern provinces, municipalities, and regions including Liaoning, Hebei, and Beijing, have set aside 287,000 mu as "pollution-free" vegetable production bases, 14 billion jin of these vegetables were supplied to cities, and vegetable farmers have increased income by 21,750,000 yuan. In April last year, 10 northern provinces, municipalities and regions established cooperative organizations to assume responsibility for the State Economic Commission's project to develop new techniques for plant protection and to expand the acreage. [Text] [Beijing RENMIN RIBAO (OVERSEAS EDITION) in Chinese 19 Feb 86 p 1]

CSO: 4007/331

ANHUI ISSUES CIRCULAR ON SUMMER HARVESTED CROPS

OW210006 Hefei Anhui Provincial Service in Mandarin 1100 GMT 18 Mar 86

[Excerpts] The provincial party committee issued an emergency circular on 18 March, calling on all localities to pay close attention to agricultural production in order to ensure a year-round bumper harvest.

The circular says: Summer harvested grain and edible oil crops constitute an important part of Anhui's agricultural production. Except for a few places, most localities have seen poor growth of the summer harvested crops. Insufficient planting of the seedlings may cause a drop in the output in some localities. If the output of summer harvested crops does not increase, agricultural production will be affected for the whole year; and if we do not have a bumper harvest, the people's livelihood will be affected, the production of industries depending on farm and subsidiary products as raw materials will be hampered, and financial revenues at all levels will decrease. This is a serious problem meriting keen and prompt attention.

The circular calls for, first of all, leaders at various levels and the vast numbers of rural cadres to continue to give priority to agricultural production.

Second, in addition to intensifying the management of summer harvested crops, it is necessary to make prompt arrangements for (?intermediate) spring sown crops.

Third, it is necessary to persist in the struggle against natural disasters in order to win a bumper harvest.

Fourth, departments concerned directly under the province should support agricultural production in terms of material supply, funds, machinery, and science and technology.

Fifth, work teams sent by province, prefectures, cities, and counties to rural areas should actively help grassroots cadres do a good job in this year's agricultural production.

/12712
CSO: 4007/337

MAJOR SOIL IMPROVEMENT PROJECT BENEFITS ANHUI

OW210418 Beijing XINHUA in English 0244 GMT 21 Mar 86

[Text] Hefei, 21 March (XINHUA)--More than half the work has been completed on a major soil improvement project aided by the international development project aided by the International Development Association, in Anhui Province, East China, according to local authorities today.

For over 2 years, the project has used more than 45.7 million yuan for water conservancy, electricity transmission, road construction, afforestation and scientific research--accounting for 56.6 percent of the planned total.

Located in Mengcheng, Woyang and Suixi counties, north of the Huaihe River, the 5-year project aims to improve 36,000 hectares of a black soil mingled with calcareous concretions, which gives meager yields and is susceptible to drought and waterlogging.

The association has provided 15 million U.S. dollars in interest-free loans, while local authorities have raised the remaining 55 million yuan for facilities and labor subsidies.

By the end of last year, local peasants had dug 9,660 canals and ditches, totalling 4,020 km, built 4,180 bridges and culverts, 290 km of power transmission lines and 90 km of roads, and planted 1,020 hectares of forests.

The grain output of improved farmland in Mengcheng averaged 3,375 kg per hectare last year, 297.7 kg more than that for the unimproved soil.

Income per person there averaged 381 yuan last year, up by 50 yuan from 1984.

The wheat yield in Suixi was a record 3 tons per hectare despite an unusually long rainy spell last year--about 2.25 tons more than in previous average years.

/12232
CSO: 4020/243

BRIEFS

RURAL DEVELOPMENT PROGRAM--Beijing, 22 March (XINHUA)--Beijing authorities will send more than 1,000 technicians and managers into the countryside around the capital over the next 5 years in a program designed to modernize the rural economy. Under the program announced here today, a big training scheme will be launched to teach local peasants technical skills. The aim is to turn Beijing's rural suburbs into a major producer of non-staple foods and to develop successful small industries there. Ten technologies will be promoted by the Municipal Council for use in stock raising, fruit, vegetable and flower growing, rural house building and township construction. The authorities plan to set up 100 showcases using these technologies. [text] [Beijing XINHUA in English 0747 GMT 22 Mar 86 OW] /12232

CSO: 4020/243

FUJIAN SETS CONTRACT GRAIN PURCHASE RULES

OW131131 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 11 Mar 86

[Text] According to a report by our correspondent Chen Guofan, the provincial government in a recent circular set forth the following stipulations on the policy concerning grain purchases by contract with a view to gradually improving the grain purchase contract system, bringing about a steady increase of grain production, and ensuring the fulfillment of the state quota of contracted grain purchases:

1. The original quota of 2.5 billion jin of grain to be purchased by contract in our province will remain unchanged. All prefectures and cities are requested to see that the respective targets set for them by the provincial authorities are met.

2. With regard to the grain transferred from counties and cities in grain-producing areas to other localities in excess of quantities specified in the original plan, there will be an additional subsidy of 1 yuan per 100 jin this year to be given by the financial department of the grain-supplying county or city besides the 2-yuan-per-100-jin subsidy provided by the provincial financial department, in accordance with a provision established last year.

3. The method of negotiated grain purchases should continue to be applied to poor townships. However, the areas to which this method is applied will not be expanded, nor will the quantity of negotiated purchases be increased.

4. As an encouragement, 10 jin of nitrogenous fertilizer will be sold to the grain supplier for every 100 jin of grain purchased by contract.

5. Agricultural banks in all localities should give priority in extending loans to those peasant households that have signed grain purchase contracts.

6. The measure of linking supply of urgently needed manufactured goods and fine-quality chemical fertilizers with grain purchases should continue to be applied to counties serving as production centers for commercial grain. Departments concerned should make proper arrangements for the supply of these items so as to completely meet requirements.

/8309
CSO: 4007/327

FUJIAN GOVERNOR STRESSES GRAIN PRODUCTION

OW230020 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 19 Mar 86

[Excerpts] A meeting was held in Fuzhou this morning to commend major grain production households in 1985. Provincial leading Comrades Hu Ping, Chen Mingyi, and Wen Xiushan presented awards to 36 major grain-production households and banners to representatives from 4 counties that had sold 100 million jin of grain to the state.

Vice Governor Chen Mingyi chaired today's meeting. Governor Hu Ping spoke, extending greetings and congratulations on behalf of the provincial government to the major grain-production households, and praising them for their socialist enthusiasm in striving to sell more grain to the state. Stressing the importance of grain production for Fujian's economic development, Governor Hu Ping said: Paying close attention to grain production is an important job for accelerating the pace of modernization in the province. All departments and units should strive to create favorable conditions for grain production.

Governor Hu Ping also reiterated the provincial government's 4-point policy toward grain production at the meeting:

First, the rural contracted responsibility system is an important policy formulated by the 3d Plenary Session of the 11th CPC Central Committee, and will remain unchanged for a long time to come.

Second, grain-specialized households is new in the first-step rural reform, and it is scientific and reasonable to commercialize grain and let farming experts have as much farmland as possible. The grain-specialized household is a demand of history and will exist for a long time. It is hoped that grain-specialized households will have larger areas of farmland and production scale.

Third, the specialized households deserve commendation because they have increased their income through contribution to the country. It is honorable to become better off through hard work. Those who have become prosperous as a result of diligent labor should be respected by the people and protected by state laws and policies. No one is allowed to encroach on the legitimate rights and interests of the specialized households.

Fourth, is is legitimate and permissible for a grain-specialized household to develop diversified economic undertakings, while paying close attention to grain production. Grain-specialized households should be allowed to make the best use of local resources and individual talents in developing forestry, animal husbandry, aquiculture, and village and town enterprises while engaging in grain production so that more and more people can become prosperous through working hard.

/12712
CSO: 4007/337

FUJIAN'S HU PING SPEAKS ON AFFORESTATION WORK

OW171205 Fuzhou FUJIAN RIBAO in Chinese 7 Mar 86 p 1

[Text] In his report at the provincial meeting of prefectural commissioners and city mayors today, Hu Ping, chairman of the Fujian Provincial Greening Committee and governor of Fujian Province, stressed: Greening our country's land is a great undertaking that has a great impact on economic invigoration and social development. Leaders at all levels must look on afforestation and greening work as a fundamental task and pay close attention to it, and must make efforts to raise it to a new level. We must complete the task of voluntarily planting 10 million trees this year by 12 March, and strive to overfulfill the target.

Fujian Province plans to afforest 3 million mu of land this year. As of 5 March, the province had afforested 2.27 million mu of land, fulfilling 75 percent of its annual target. Jiangyang and Ningde Prefectures and Sanming City have fulfilled their annual plans. However, compared with the same period last year, the province afforested 25 percent less land.

Comrade Hu Ping put forward the following four-point plan aimed at solving existing problems and raising this year's greening work to a new level.

1. We must have a good understanding of the significance of greening work, and must strengthen our leadership in this area. Leading comrades of the central authorities have said that the appearance of a nation should be judged from three of its main aspects, namely, the appearance of its people, the appearance of its cities and towns, and the appearance of its natural environment. The most important of these three aspects is the appearance of the natural environment. As long as forestry problems are not solved, the appearance of the natural environment and that of the nation cannot be improved. Leaders at all levels must regard afforestation and greening work as an important matter and a fundamental task that can improve the appearance of our nation, and must take necessary measures to ensure the success of the work. In particular, prefectures and cities in coastal areas must regard greening work as an official task and seriously study it; they must actively organize and lead the masses to successfully accomplish this year's afforestation work. Greening work in urban areas should be given adequate attention and be conscientiously carried out.

2. We must adhere to the principle and policy of pooling the efforts of the state, collectives, and individuals. All state-run forestry centers and tree-felling areas must be given more management powers. The primary current task is to afforest barren hills and reafforest cut areas. Collective barren hills and coastal areas must fully or partially be given or contracted out to the masses according to their wishes and management skills. We must reiterate the party's policy: whoever afforests land should own it; a piece of land that has been afforested jointly by a number of parties should be enjoyed at all; inheritance and transfer of ownership should be permitted.

3. We must raise afforestation funds through various channels. Funds allocated for sapling cultivation should be used only for this purpose; the provincial finance departments have allocated special funds for cultivating woody plants and oil-bearing crops; cities and counties in coastal areas should appropriate a certain amount of money for afforestation; we should encourage the masses to raise funds through various channels for afforestation.

4. We must ensure the success of key greening projects in order to accomplish our afforestation and sapling-cultivation tasks without sacrificing the quality of the work. Taking the local situation into consideration, all localities should closely integrate their work in artificial afforestation, in demarcating hillsides for afforestation, in sapling cultivation, and in forest management and protection. We must, in particular, make good use of time, pay attention to key matters, and ensure quality in carrying out artificial afforestation. It is necessary to simultaneously grow grasses and shrubs in soil erosion areas. Regarding the greening of the five river valleys, the important task at present is to round off well the first phase of the project, and to properly carry out planning for the second phase. The task of voluntarily planting 10 million trees across the province this year should be carried out by 12 March, and every effort should be made to overfulfill the established target and to ensure the quality of the work.

/12232
CSO: 4007/334

FUJIAN

BRIEFS

REPORT ON AFFORESTATION PLANS--In a report delivered on 6 March at a provincial meeting attended by [words indistinct], Governor Hu Ping said that our province has a plan for afforesting 3 million mu this year and the task of planting 50 million trees in a campaign of obligatory tree planting. Arrangements for the work, he said, should be completed by 12 March, Arbor Day. According to statistics, as of 12 March, a total of 2.82 million mu had been afforested, and 15 million [as heard] trees had been planted by developing the obligatory tree-planting campaign in the province. [Excerpts] [Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 13 Mar 86 OW] /12712

/12712
CSO: 4007/337

GANSU

BRIEFS

FARM MACHINES, SUPPLIES--At present, 750,000 tons of chemical fertilizer have been planned for spring planting in Gansu; it is estimated that sales in the first quarter could be 450,000 tons. There are more than 123,000 tractors, the aggregate power capacity of farm machines is more than 5,940,000 horsepower, an increase of 16 percent and 6.6 percent respectively over last year. After inspection and repair, the proportion of undamaged machines is more than 80 percent, and it is estimated 90,000 tractors can be used for spring planting. The use of plastic film to cover fields has expanded from 328,000 mu last year to about 450,000 mu. [Excerpt] [Beijing NONGMIN RIBAO in Chinese 22 Feb 86 p 2]

CSO: 4007/331

HAINAN MEETING ON STRENGTHENING RURAL WORK ENDS

HK120807 Haikou HAINAN RIBAO in Chinese 23 Jan 86 pp 1, 2

[Report by Wang Guoxiong [3769 0948 7160]: "Hainan Regional Tri-level Cadres' Conference Ends; Yao Wenxu Delivers a Summation Report"--passages within slantlines published in boldface]

[Text] The Hainan regional tri-level cadres' meeting, which lasted 7 days, ended satisfactorily on 19 January. In light of the guidelines of the central and provincial rural work conferences and the recent Central Document No 1, all comrades participating in the meeting made an analysis of the rural situation, summed up and exchanged experiences in building the two socialist civilizations, and defined tasks for this year's rural work in our region. As a result, they expressed confidence in party rectification and the building of the two socialist civilizations in the rural areas, and to the continuous, steady, and coordinated growth of the rural economy.

At the closing ceremony of the meeting, Yao Wenxu, secretary of the Hainan Regional CPC Committee, made a concluding report on how to implement the guidelines of the 1986 Central Document No 1 in line with actual conditions and on how to do a good job of party rectification and work in various fields in the countryside.

Have a Correct Understanding of the Rural Situation in Our Region

During the meeting, all participants had a lively discussion on getting a correct understanding of the situation. They held the consensus view that although principal leaders of the regional CPC Committee and people's government committed the serious mistake of reselling imported cars and other materials for profit in the second half of 1984, and although the incident caused heavy losses for economic construction and had a negative effect on work in other fields to varying degrees, the general situation in our region is good and profound changes have taken place in the rural areas. Following the first step of the reform centered on the introduction of the system of contracted responsibilities with payment linked to output in the rural areas, in 1985 we took another step in reform which placed stress on reforming the system of unified and fixed purchases of farm produce and readjusting the structure of agricultural production, and we achieved marked results. All this was done in line with the relevant Central Documents No 1 and in the spirit of the instructions by the party Central Committee on speeding

up exploitation in Hainan. At present the rural economy is thriving, channels for commodity circulation have increased, methods of business operations are flexible, the scale of circulation has been expanded, the horizontal ties of the commodity economy have been strengthened, the enthusiasm of peasants for developing commodity production to meet market demands has been aroused, and production and living conditions have greatly improved. The rural situation is indeed gratifying and full of life and vitality.

The meeting stressed: In making a correct appraisal of the rural situation, we must not cast an eye only to grain and to judging grain output; we must not see the figures for only 1 year. In making a correct appraisal of the rural situation, we must see the situation in agriculture as well as the economic situation as a whole and we must relate the two problems to each other. It is estimated that the region's total grain output in 1985 decreased by more than 400 million jin over the previous year, but the situation resulted from many factors: 1) There were typhoons and other natural disasters in 1985 which were more serious than in former years; 2) the acreage sown to grain crops was reduced due to the readjustment of the structure of production in the rural areas; 3) the enthusiasm of peasants in a few areas in growing grain crops melted away and leaders at various levels paid less attention to grain production. In addition, land in some places was desolate. There was a drop in grain production, but the rural economy is still developing in a sound, steady, and balanced way. The situation is marked with the following features: 1) Our region has achieved much in the development of the rural economy and the countryside has taken on an entirely new look. It is estimated that the total output value of agricultural production in 1985 increased by 100 percent over 1980. 2) With the readjustment of the production structure in the rural areas, big progress has been made in planting tropical industrial crops. Compared with 1980, the acreage sown to rubber expanded by 32 percent in 1985, the areas planted with medicinal herbs was 7.5 times greater, and the acreage of forests increased by 280 percent. In addition, great achievements were made in fishery and livestock raising. 3) The "two households and one economic combination," which are now representatives of progressive forces of production in the countryside, are growing steadily. In the region there are now 24,558 households specialized in farming, 6,114 households specialized in fish breeding, 10,883 households specialized in industrial and sideline production, 16,827 households specialized in the tertiary industry, and 11,865 economic combinations. They have become an important force for the development of rural areas. 4) Town enterprises have started developing. It is expected that the total income of town enterprises in the region in 1985 increased by 346 percent over 1980, up by 30 percent over the preceding year. 5) Achievements have been obtained in the building of the spiritual civilization in the rural areas and new progress has been made in education and cultural undertakings. As the region's entire economic situation shows, much has been achieved in various fields. Since 1980, industrial and agricultural production has expanded and construction of the infrastructure of transport, energy, and telecommunications has developed quickly. Foreign trade and the introduction of investment from abroad and establishment of lateral ties at home have been promoted. People's living standards have somewhat improved and there has been an improvement in public security, party workstyle, and social conduct at large.

In affirming the excellent situation in the region's rural areas, comrades participating in the meeting realized that the hindrance to the region's economy by the case of reselling imported cars for profit is fairly tremendous. To overcome the current difficulties, we must make tremendous efforts. There is an uneven development of various areas in reform of the rural economic structure. Some party's policies have not been thoroughly implemented in some localities. Peasants in some rural areas have not yet attained sufficiency in food and clothing. The state apparatus in the rural grassroots units is still fairly weak and management is poor. All this falls short of the demands of developments in the rural areas. We must face up to these problems emerging in the course of advance. We should not dodge them but should adopt correct measures to solve them. Our good situation has resulted from the correctness of the party's principles and policies and from the current reform. We must make sustained efforts to solve the existing problems in the execution of the reform. Through the implementation of policies, we must progressively carry on the reform in depth and gradually perfect it so as to develop the rural economy in a sound, steady, and balanced way.

The Problems That Must Be Conscientiously Summed Up and Solved

By making a concrete analysis of the situation in our region, the meeting affirmed the main aspects of the situation and pointed out the problems that must be conscientiously summed up and solved for further developing the excellent situation in the rural areas and building the two socialist civilizations. These problems are related to the following seven points:

1. /After the introduction of the system of contracted responsibilities with payment linked to output in the rural areas, is it necessary for the party to give more leadership to the rural work? How should this be done?/ After the introduction of the system of contracted responsibilities with payment linked to output in the countryside, party leadership over the rural work should be strengthened. In passing on their experience at the meeting, some model units pointed out that fundamentally speaking, they had achieved marked results in the building of the two socialist civilizations only because they strengthened party leadership over various fields of rural work. Contrary to this, leaders in a few areas held; "Since farm output quotas are now fixed for each household, peasants can do things on their own initiative and it is not necessary to strengthen party leadership." In these areas, leaders failed to go deep into the realities of life and cadres seldom went right to the frontline of agricultural production. Some comrades wanted to improve their work, but the new situation made it difficult for them to begin. Their previous methods of work were no longer applicable, but they did not have any new methods to cope with the new situation. As a result, the system of contracting land, mountains, forests, and water surfaces was not well established and their management was poor in these areas. The responsibility system of cadres was not yet instituted in the rural grassroots units, no one took an interest in the work of helping the poor become better-off, political and ideological work was weak and public security was poor, and such activities as feudal

superstitutions and gambling were rife in these areas. Leaders at various levels should, therefore, bring about steady improvement in their style and methods of leadership. They should carry out the party's line, principles, and policies in earnest and improve political and ideological work as well as service work for agricultural production. Leaders should go down to the grassroots units to size up the new situation, to come up with solutions to new problems and to sum up new experiences in an effort to exercise face-to-face leadership. We must change the situation of "party organizations not taking care of party affairs," build party organizations into a powerful fighting force, and give full play to the vanguard and exemplary role of party members so as to promote all work in the rural areas.

2. /After the whole party has shifted the focus of work to economic construction and when the party and the state follow the policy of opening up to the world and invigorating the domestic economy, is it necessary to uphold the four basic principles and to strengthen political and ideological work as well as the work of maintaining public security?/ By exchanging experiences and citing facts, comrades participating in the meeting pointed out: The good situation in our country would not have come about if we had not opened up to the world and invigorated the economy by breaking with the "leftist" conventions. However, opening to the world is like opening a window. With the window open, fresh air comes in, but so do the flies and mosquitoes. Similarly, in invigorating the economy, some enterprises and people ignore state plans. Since the introduction of the opening up policy in our region, certain achievements have been obtained in this aspect, but some decadent things have also come in. For example, some time ago, pornographic videotapes were rampant and feudal superstitions and gambling were in vogue in some areas. Furthermore, some vile social evils which had been stamped out long ago cropped up again. It is thus seen that only by upholding the four basic principles and strengthening political and ideological work as well as the work of maintaining public security can we ensure the smooth development of the four socialist modernizations.

3. /When some people are allowed to become better-off ahead of others, is it still necessary to strive for common prosperity? How should we achieve it?/ Comrades participating in the meeting held the concensus view: The proposal put forward by the party Central Committee for allowing some people to become better-off through hard work ahead of others conforms to the objective laws of development. However, this is only a policy of our party and not the ultimate aim. The ultimate aim is to strive for common prosperity. Therefore, as some people have started becoming better-off through hard work, a conspicuous problem for the rural party organizations at present is how to lead the broad masses of the peasants to strive for common prosperity so long as the public ownership of the means of production is definitely applied. A successful solution to the problem will reflect the superiority of the socialist system. Otherwise, the appearance of a wide gap between the rich and the poor in the rural areas may occur. We must take the matter very seriously.

4. /When we open to the outside world, carry out reform, and invigorate the economy, is it still necessary for us to improve management? How should we do so?/ In discussions, participants in the meeting explicitly pointed out that improving management is of great importance. Our region committed the serious mistake of reselling imported cars for profit in the second half of 1984. This is mainly because the guiding ideology of some principal comrades working in the regional CPC Committee and people's government was not correct, but a mess in management was another major reason accounting for the mistake. It is thus clear that improving management is a problem that we should not overlook. At present there is a visible phenomena in our management work: Undue stress is laid on flexibility and no stress is put on control. As a result, now no one likes discipline and nobody intends to interfere in another's affairs. Therefore, attention must be paid to correcting this deviation. When we open to the outside world, conduct reforms, and invigorate the economy, we must exercise effective control over major issues but flexibility on minor ones; we must overthrow certain things and establish others; and flexibility should not bring about chaos. In short, flexibility should be linked with effective control.

5. /When emphasis is placed on economic results in the execution of the reform, how should we correctly handle the relationship between economic results and social results?/ Participants in the meeting were of the opinion that carrying out reform is imperative, but reform itself is not the aim. It is aimed at invigorating the economy through reform, improving management, and enhancing economic and social results. Of course, an enterprise should pay attention to economic results, but it should realize that economic results and social results form an integral whole. It should not lay stress only on economic results and overlook social results; otherwise it will tend toward "putting money first in everything." In judging the success or failure of reform in a unit, we must see whether it adheres to the socialist orientation and the principle of improving both economic and social results.

6. /If we continue to depend on policies in developing the rural economy, how can we seek support of science?/ There was concensus at the meeting that developing the rural economy must rely on both policies and science. In developing the rural economy, our region has done much in relying on policies but done little in seeking the support of science. This fundamentally due to: First, inadequate understanding of the importance of depending on science and technology in developing agricultural production; second, inadequate effort in summing up and popularizing local scientific and technological achievements and to introducing advanced scientific and technological achievements from other areas of the country; and third, inadequate effort to giving full play to the role of the existing contingent of scientists and technicians and to developing the contingent. Party and government leaders at various levels should, therefore, educate cadres and the masses to know that with the help of correct policies, we should also depend on science to bring into full play the region's potential of torrid zone natural resources and marine resources. For this reason, we must consciously learn science and make full use of it in economic construction.

7. /To solve the aforementioned problems, it is necessary to strengthen the building of primary party organizations and of the state apparatus in the grassroots units./ Participants in the meeting were of the opinion that there are many tasks to perform in rural work. To solve these problems, we should therefore depend mainly on primary party organizations and the state apparatus in districts and townships and on cadres and party members of the grassroots units. Therefore, party organizations at the district and township levels should, through party rectification, earnestly tackle their problems in guiding ideology, workstyle, and organization, and should build party branches into a strong core of leadership which is able to lead the masses to build the two socialist civilizations and strive for common prosperity. The district and township levels should straighten out their guiding ideology, improve their leadership style and workstyle, and often go down to the countryside to make investigations and studies, so as to identify and tackle problems in good time.

The Basic Tasks for This Year's Rural Work in Our Region

The meeting noted that the central rural work conference and the latest Central Document No 1 have set the guiding ideology, general tasks, and general demands for this year's rural work and decided on concrete principles, policies, and measures. To accomplish this year's rural work in our region, we must take the central and provincial rural work conferences and the latest Central Document No 1 as a guide, further carry out policies for the rural economy, conduct reforms in depth, make party rectification a success, spread science and technology, improve conditions for agricultural production, and make arrangements for pre-production and post-production service. To this end, we must conduct the following work in earnest:

1. Adhere to the strategic principle of taking agriculture as the foundation of the national economy and increase investment in agriculture. In the past few years, agriculture in our region has developed rapidly. This is mainly due to the fact that the potential in agricultural production has been brought out through reform. Whether or not we will be able to develop agriculture in a sound, steady, and balanced way depends not only on the stability and improvement of our policies and the rising enthusiasm of peasants, but also on increasing investment in agriculture and further improving conditions for agricultural production. For this reason, apart from the support from the state, we should mainly rely on the strength of counties, districts, and townships, and on accumulation through labor by peasants. All localities should concentrate a certain amount of labor force, financial capacity, and material resources on farmland capital construction and building the infrastructure.

2. Resolutely continue efforts to develop grain production and rigorously expand the diversified production activities. Our region is located in a humid torrid zone. On the premise that we should not slacken efforts to develop grain production, this year we must continue to readjust the st-ucture of production in the rural areas and vigorously develop the industries involved in processing tropical crops and other farm crops. The level of grain production should be brought back to that in 1984 and there must be faster development of such economic crops as oil-bearing crops, sugarcane, tropical crops,

medicinal herbs, and fruits, as well as artificial afforestation, livestock raising, fish breeding in fresh and seawater, and marine fishing. Meanwhile, substantial progress must be made in developing town enterprises.

3. Carry out reform of the rural economy in depth. Since the 3d Plenary Session of the 11th CPC Central Committee, like other parts of the country, the region has launched reform of the rural economic structure with the introduction of the system of contracted responsibilities on the household basis with payment linked to output. Last year it also started reforming the system of unified and fixed purchase of farm produce, and has achieved initial results. However, we are still far from attaining the goal fixed for the reform of the rural economic structure and we must resolutely carry out the reform in depth. First we must further reform the system of unified and fixed purchases of farm produce. This year's tasks in this area are to improve the reform measures already taken. For example, efforts must be made to perfect the system of fixed quotas for purchasing farm and sideline produce, to appropriately readjust prices of some products, and to open up more channels for circulation of products from collectively-afforested areas and pastoral areas. Second, we must implement the policy of helping agriculture with funds from industry. In carrying out this policy, we can do a lot of things. For example, the state can increase investment in agricultural capital construction to an appropriate extent, improve conditions for agricultural production and the development of the commodity economy, offer a certain amount of subsidies for agricultural production means domestically produced, reduce tax or exempt from taxation imported agricultural production means, and offer different kinds of loans at favorable terms. At present, special attention must be paid to developing town enterprises and rendering assistance to crop-farming and vegetable production on the outskirts of the cities and appropriately readjusting economic benefits between people engaged in industry and those engaged in agriculture. Third, to perfect the cooperative system, we must start with service work. To perfect and develop cooperative organizations is a main target for carrying out reform in depth. The system of contracted responsibilities on the household basis with payment linked to output is a long-term policy of our party. By no means should we go against the will of the people and change the system at will. The masses in some areas have expressed dissatisfaction with the local authorities because they have failed to help them deal with some problems which cannot be solved by individual households but which should be done through concerted efforts. We should, with the voluntariness of the masses, perfect and develop the cooperative economy step by step. In developing cooperative economic organizations, we must strive for efficiency and must not set tasks and targets and pursue a higher rate of development. Fourth, we must step up reform of the system of the supply and marketing cooperatives so that they will entirely become cooperative commercial organizations of the peasants. Fifth, we must adhere to the orientation of allowing some people to become better-off ahead of others and striving for common prosperity.

4. Adopt practical measures to help poor areas gradually change their conditions. Because of the differences in natural conditions and an imbalance in economic development, although some areas in our region, especially mountainous areas, areas inhabited by the minority nationalities, and old revolutionary base areas, have managed to score some economic achievements, they have not yet lifted themselves out of poverty. The problems of feeding and clothing the masses there have not been completely solved. It is of important political and economic significance to solve the problems in these areas. In the work of helping the poor, every locality should truly put the stress on the really poverty-stricken areas and solve the problems of feeding and clothing the masses there. The funds and materials for helping poverty-stricken areas should be mainly used for developing production and improving production conditions, so as to strengthen the economic vitality of these areas. Various funds earmarked for supporting poverty-stricken areas should not be purely used in providing relief to the people there, but for developing production, so as to help lift the masses out of poverty.

5. Strengthen the work of spreading legal knowledge among the people and grasp well the work of increasing public security in a comprehensive way. It is necessary to integrate the work of popularizing legal knowledge with the work of strengthening social security in a comprehensive way and extensively use various mass media and propaganda means such as newspapers and periodicals, radio and television broadcasts, literature and art, and so on, to unceasingly disseminate legal knowledge. Leading cadres at all levels should take a good lead in studying, applying, and enforcing the law. It is necessary to conduct deepgoing legal education among the vast numbers of the people, wipe out legal illiteracy, and sharpen the sense of the law. It is imperative to set up the responsibility system of social security, strengthen the social security management, start healthy, varied, and colorful recreational activities, and occupy the rural areas with socialist ideology and culture.

6. Consciously grasp well the party rectification in rural areas and strengthen the leadership over rural work. Generally speaking, the requirements for the party rectification in rural areas are the four tasks of seeking unity of thought, consolidating party style, heightening the sense of discipline, and purifying the party organizations, as raised by the decision of the CPC Central Committee on party rectification. In order not to hold up farm work in the prime season, the schedules for party rectification in rural areas must be tight and the methods must be flexible. It must be carried out first in districts and then townships and by stages and in groups. It is necessary to do a good job in training core members and mobilize those rural party members who are engaged in industries, business, and other work in other places during the party rectification period to go back to their native places to actively participate in party rectification. Secretaries of county CPC committees should personally take command of the work of party rectification and organize a sufficient number of liaison men to assist in the party rectification work at the district and township levels. Party committees and government departments at all levels should strengthen their leadership over rural work. It is necessary to make overall plans, take all factors into consideration, and promote the cooperation between urban and rural areas, the coordination between departments, and the development of the rural reform and the commodity economy.

The conference also drew up plans for the present rural work in our region. First, in light of actual conditions, each locality and department should earnestly organize party members and cadres to study and master the essence of the new Central Document No 1. On this basis, they should publicize and explain the document to the vast number of peasants in simple language and in connection with their concrete work. In particular, the main points of every part of the document must all be clearly and thoroughly explained and really be made known to all. It is necessary to integrate the work of publicizing the new Central Document No 1 with the work of summarizing and promoting local experiences and studying and promoting the advanced experiences of other localities, so as to make the new Central Document No 1 truly become a powerful motivating force to expedite our region's rural reform, production, and all the other work this year. Second, it is necessary to grasp rural production well. Each locality's production plans for this year should be worked out as early as possible, and measures should be enacted and carried out as early as possible. It is appropriate to make early preparations for plowing and sowing. The work of preparing seeds and fertilizers and spreading the fine hybrid varieties should be conscientiously and suitably carried out. In light of the actual conditions in our region, it is imperative to stress and use more organic fertilizer rather than using only chemical fertilizers. The winter irrigation work should be continuously grasped well and completed on time, so as to improve irrigation. The acreage under sugarcane should not be enlarged. We should mainly concentrate on increasing its per unit area yield. Third, it is necessary to make good preparations for party rectification at the district level. It is imperative to train key members for party rectification, do a good job in investigations and studies, keep informed about the mental attitudes of party members, and discover the problems to be solved during party rectification, so as to lay a foundation for the party rectification work at the district level. Fourth, it is necessary to grasp well the work of party rectification at the county level. In order to ensure quality, we should make the best use of our time to strive to finish the comparison and examination of party members before the Spring Festival. Units and departments possessing the necessary conditions should complete registration and organizational handling of party members before the Spring Festival.

/8309
CSO: 4007/327

BRIEFS

GUANGDONG FARM MECHANIZATION--By the end of 1985, there were 235,000 tractors of various types in the province, an increase of 67.72 percent over 1980. More than 90 percent of the tractors were owned by individual peasants or combined households. The number of other small farm tools has also largely increased. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 15 Mar 86] /12232

CSO: 4007/334

HEBEI

COMMENTARY CALLS FOR DEEPENING RURAL REFORM

SK220954 Hebei Shijiazhuang Provincial Service in Mandarin 2300 GMT 7 Mar 86

[Station commentary: "Profoundly Comprehend the Guidelines of Document No 1 of the CPC Central Committee and the State Council, and Deepen the Rural Reform"]

[Text] The plan of the CPC Central Committee and the State Council for rural work in 1986, namely, Document No 1 of the central authorities, was formally published recently. The document calls for further implementing the various policies concerning the rural work, penetratingly carrying out reform, improving conditions for agricultural production, organizing preproduction and postproduction services, and promoting a sustained, steady, and coordinated development of the rural economy.

During the past few years, under the guidance of the party's various policies concerning the rural economy, an inspiring and gratifying situation has appeared in the rural areas. Agriculture, forestry, animal husbandry, sideline production, and fisheries have been substantially upgraded. The town and township enterprises have become an important mainstay to invigorate the rural economy. Agricultural production has begun to regulate itself in line with the market demands. The urban and rural economic sectors have broken with the closed situation in which barriers exist in different departments and different regions. An open-type market unimpededly linking the urban with the rural areas has initially been formed. In addition, the prospects for the economy have become increasingly bright.

It should also be noted, however, that many problems still exist in the rural work. For instance, the policies regarding economic work have not been implemented thoroughly in some rural areas; many barriers still exist in circulation channels; relationships in reform have not been brought into better balance; the measures for carrying out reform are not good and are insufficiently coordinated; the foundation for agricultural production is not solid; and the economic benefits of town and township enterprises are poor.

Document No 1 issued by the central authorities this year has set forth emphases and plans for the work in 1986 in line with the current problems. We should conscientiously study this document; should profoundly comprehend the essence of the guidelines of this document; should consolidate, master, and supplement the achievements already scored in the rural reform; and should attach importance to solving those conspicuous problems in reform so that we can obtain still greater effect from reform.

In implementing Document No 1 of the central authorities, priority should be given to upholding the rural reform. Consolidation, mastery, supplementation, and improvement constitute a principle for carrying out reform continually and penetratingly. The only way to solve the problems emerging in the rural work is to carry out reform penetratingly. This demands that we consider carefully what to discard and what to introduce. In the course of discarding outmoded systems and methods, we should introduce new systems and methods suitable for the actual situation. For instance, the contract purchase of grain is a major reform of the grain purchasing and marketing system. Therefore, we should be meticulous in doing this work, further improve the contract system, and strive to sign contracts with all peasants before the spring sowing so that this reform project will actually mobilize the initiative of peasants for production.

Reform of the circulation structure constitutes an important part of the rural reform. This year, we should give prominence to enlivening the commodity circulation, and should establish and improve the commercial and service network at the country, township, and village levels, developing this togehter with the urban reform, so that we can better meet the demands for developing the commodity economy and can promote a sustained development of the rural economy.

/12232
CSO: 4007/336

HEBEI

AGRICULTURAL STATISTICS RELEASED

Shijiazhuang HEBEI RIBAO in Chinese 25 Feb 86 p 2

[Excerpts] In 1985, the social output value in rural Hebei was 31.090 billion yuan, a 15.1 percent increase over 1984. The output value of rural industry, construction, commerce, and transportation was 14.630 billion yuan, an increase of 33.2 percent over 1984, its ratio of the rural social output value rose from 39.9 percent in 1984 to 47.1 percent. The agricultural gross output value for the year was 16.460 billion yuan, an increase of 3.3 percent over 1984. Including the output value of 23.570 billion yuan from village run industries, the increase was 14.5 percent over 1984. Of the gross agricultural output value, the seed industry accounted for 12.120 billion yuan, a 1.8 percent reduction; forestry accounted for 560 million yuan, a 4.6 percent increase; animal husbandry accounted for 3.120 billion yuan, an increase of 31.1 percent increase; the fishing industry accounted for 140 million yuan, an increase of 26.2 percent.

The area sown to cotton decreased by 2,949,000 mu in 1985. The area sown to oil-bearing crops increased 3,432,000 mu.

Output of major agricultural products:

	1985 (10,000 tons)	Increase in 1985 over 1984 %
Grain	1,966.6	5.2
Cotton	62.9	-40.0
Oil-bearing crops	86.9	44.8
Peanuts	58.0	45.4
Sugar crops	19.9	59.6
Flue-cured tobacco	0.5	60.0
Jute, Ambari Hemp	5.2	3.8
Fruit	160.0	18.7

The province afforested 6 million mu in 1985, fulfilling 150 percent of the annual plan. The percentage of forest cover was 13.36 percent.

Output of major animal by-products and number of livestock:

	1985	Increase in 1985 over 1984 %
Output of pork, beef, and mutton	81.9 (10,000 tons)	27.6
Milk	7.3	32.7
Egg output	33.4	44.0
Hogs slaughtered	1,018.5 (10,000 head)	21.5
Pigs at year end	1,421.4	17.7
Large animals at year end	446.5	8.6
Sheep at year end	721.1	- 0.6

The output of aquatic products was 128,000 tons in 1985, a 21.1 percent increase over 1984. Of this, output of freshwater products was 23,000 tons, a 39-percent increase, and output of marine products was 105,000 tons, a 17.9 percent increase.

At the end of 1985, the aggregate power capacity of the province's farm machines was 27,130,000 horsepower, a 9-percent increase over 1984. The number of large and medium-sized tractors was 37,000, a 12-percent decrease over 1984; small capacity and walking tractors 290,000, a 25 percent increase; trucks 33,000, a 17.9 percent increase; and irrigation and drainage equipment 14,340,000 horsepower, a 5.1 percent increase over 1984. The consumption of electricity in rural areas was 4.090 billion kwh, an 0.5 percent decrease. A total of 1,104,000 tons of chemical fertilizer were applied, a 1.9 percent decrease over 1984.

/8309
CSO: 4007/326

BRIEFS

HEBEI PRAWN PROJECT--Shijiazhuang, 18 March (XINHUA)--The UN World Food Program (WFP) has provided funds for a project now under construction to raise prawns in Huanghua County, Hebei Province. The project, which will help change the poor conditions in the coastal part of the county, requires digging 1,000 hectares of ponds, building hatcheries, feed processing plants, bridges, culverts and sluice gates, and erecting power transmission lines. The WFP will provide more than 300 tons of wheat and funds for the project in the next 3 years. Parts of the project are expected to go into operation this year. [Text] [Beijing XINHUA in English 0720 GMT 18 Mar 86 OW] /12232

RURAL SAVING DEPOSITS--As of the end of 1985, rural saving deposits in Hebei had reached 5.79 billion yuan, an increase of 1.27 billion yuan from the beginning of the year, an increase of 28 percent. Per capita savings were 122 yuan, an increase of 27 yuan over the end of 1984, and more than 37 yuan compared to national per capita savings. During the Sixth Five-Year Plan, rural saving deposits increased 4.83 billion yuan, savings have increased 43.2 percent a year since 1980. [Excerpts] [Shijiazhuang HEBEI RIBAO in Chinese 17 Feb 86 p 1] /8309

CSO: 4007/326

HENAN LEADER URGES PEASANTS TO GET RICH THROUGH HARD WORK

HK180227 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 17 Mar 86

/Excerpts/ In the course of an investigation of the rural areas, Henan Provincial CPC Committee deputy secretary Liu Zhengwei stressed when speaking on a number of policy issues that the policy of allowing some people to get rich ahead of others has not changed. We must continue to support and protect the development of the specialized households. The current focal point in perfecting the contract responsibility systems is to perfect the service setup. In taking advantage of local economic strong points, we must consider serialized operations. We must correctly handle the relationship between engaging in industry and engaging in agriculture, and attach proper importance to grain production.

From 3 to 12 March, Comrade Liu Zhengwei visited rural areas in Zhoukou, Shangqiu, Kaifeng, and Jiaozuo prefectures and cities to investigate the implementation of this year's Central Document No 1. It was reported in some places that some specialized households have recently developed a misunderstanding of party policies. Seeing that unhealthy trends are being corrected, taxes are being inspected and areas being paid, and economic crime is being hit hard, they wonder whether the policy of allowing some people to get rich ahead of others will be retracted.

Comrade Liu Zhengwei said: Allowing some people to get rich ahead of others is a major policy decided by the 3d Plenary Session of the 11th CPC Central Committee. There is no change in this policy now, and it will be upheld for a long time to come. In the future, we must give all-round publicity to the policy of allowing some people to get rich ahead of others and of attaining prosperity for all, and guard against onesidedness.

Comrade Liu Zhengwei said: We must continue to boldly support specialized households that get rich through hard work, whether they are engaged in cultivation, stock-raising, industry or business. The party committees and government and the political and legal departments must protect their legitimate interests and income against encroachments. No department or organization may force them to make donations or to provide assistance and so on. We must criticize and educate certain specialized households engaged in improper operations. We must crack down hard on serious cases, such as manufacturing fake wine and medicine and engaging in speculation and fraud, and take the proper legal sanctions.

We should continue to create a social mood of regarding getting rich through hard work as honorable, and encourage still more people to be bold in getting rich through hard work.

While investigating Luyi County, Comrade Liu Zhengwei pointed out that animal husbandry is a focal point in agricultural development in Henan. However, it is no use just relying on slogans to develop this business. At present we must solve the problem of curing livestock diseases. Every county should train a large number of peasant technicians, and organize them to undertake contracts.

While investigating northern Henan, Comrade Liu Zhengwei heard that in some counties that were originally high-yielding areas, grain production has declined for various reasons in the past 2 years. He said: There is nothing scary about a little annual fluctuation in grain production. What is worrying is that certain comrades tend to neglect agriculture and slacken leadership over it. At present we must handle properly the relationship between engaging in industry and engaging in agriculture. The development of industry should spur the construction and development of agriculture.

On methods of having industry supplement agriculture, comrade Liu Zhengwei said that we should not just consider taking some money from industry to balance up the incomes of those engaged in industry and those engaged in agriculture. More important, we should look at increasing agricultural input. We should mainly use the money to develop agricultural production.

We must pay attention to guiding and helping the peasants to work at the conversion and the increase in value of grain. More effort should be made to develop industries using grain as raw material. We must not neglect grain conversion work just because grain output fell slightly last year and the difficulty of selling grain was eased to some extent. This is a problem we must solve in future development of grain production.

/12228
CSO: 4007/333

HENAN HOLDS MEETING ON COMBATING DROUGHT, PROTECTING WHEAT

HK110839 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 6 Mar 36

[Excerpts] Yesterday [6 March], the provincial CPC Committee and provincial government held an on-the-spot meeting in Weishi County on combating drought and protecting wheat. They pointed out that CPC committees and governments at all levels should complete the work of combating drought and irrigating wheat as a strategic task and try in every possible way to combat natural disasters and reap a bumper harvest. (Ma Zhengxuan), secretary of the Weishi County CPC Committee, informed the meeting of their experiences in combating drought and protecting wheat.

Liu Zhengwei, deputy secretary of the provincial CPC Committee, spoke at the meeting. He said: The drought situation in the wheat fields in our province is now serious. The wheat seedlings are not growing as well as they were in previous years. At this crucial moment, in combating drought and protecting wheat, if we do not have the spirit of cutting off all means of retreat and fighting to win or die, we cannot wrest a bumper wheat harvest this year. However, some comrades, particularly some leading cadres, have not sufficiently understood the serious situation in current wheat production, have not grasped it vigorously enough, and lack a sense of urgency. They have only given general directives and have not taken effective measures. CPC committees and governments at all levels must complete the work of combating drought and protecting wheat as an important strategic task. They must try in every possible way to combat drought and to strive for a bumper harvest.

Comrade Liu Zhengwei said: With a view to concentrating energy to fight this battle of combating drought and irrigating wheat well, the provincial CPC Committee and provincial government have decided:

1. At present, we must regard the work of combating drought and protecting wheat as an overriding central task in the rural areas. All work and investigation groups which have gone to the rural areas must link their own work with combating drought. Party rectification in the rural areas must be linked with combating drought and protecting wheat. Whether this work is done well or badly must be regarded as an important point in examining the results in party rectification in the rural areas.

2. Leaders must take the lead and quickly send organ cadres and science and technology personnel to the forefront to solve specific problems in the course of combating drought. If this work is not done well in any county, resulting in a fall in wheat production, the responsibility of the county CPC committee secretary and of the county head must be first investigated and affixed.

3. It is essential to concentrate all possible financial and material resources to vigorously support the irrigation and tending of wheat.

4. All trades and professions and departments concerned must enhance their work efficiency and really do service work well. In coordination with one another, departments concerned must take the initiative to quickly solve problems concerning water, electricity, diesel oil, chemical fertilizers, agricultural chemicals, machinery, and capital urgently needed in the irrigation of wheat.

5. It is imperative to give guidance according to the different situation in seedlings.

6. It is necessary to do a good job in social order. We must quickly and severely punish the lawless elements who sabotage farmland and water conservancy facilities to ensure good order in irrigating and tending wheat.

7. We must pay close attention to weather changes and do well in forecasting plant diseases and insect pests. In ideology, organization, materials, and capital, we must make good preparations against many kinds of natural disasters to strive for a bumper wheat harvest this year.

/9716
CSO: 4007/324

HUBEI RADIO URGES CONSOLIDATING AGRICULTURAL FOUNDATION

HK140904 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 10 Mar 86

[Station commentary: "Conscientiously Implement Central Document No 1, Continue to Consolidate Agricultural Foundation"]

[Text] Agriculture is the foundation of the national economy. This is a long-term strategic principle for China's socialist construction. Since the 3d Plenary Session of the 11th CPC Central Committee, the province has persisted in the principle of taking agriculture as the foundation, resulting in gratifying changes in the province's economic development. A prosperous situation has appeared in the province's agricultural production.

However, with the excellent situation in agricultural production, in some areas the tendency of neglecting the foundation of agricultural production still exists. Some comrades believe that the central policy is good and peasants are skilled in farming. They have relaxed their leadership over agriculture. Some areas believe that doubling or quadrupling production depends on town and township enterprises and a diversified economy only, so they have built markets and factories at the expense of good arable land and have relaxed grain production. Some units or departments believe that rural areas have become rich and peasants have more money than before, so they try to benefit from peasants and forget their aim of serving the people. Some areas charge peasants various fees, so the peasants have a heavy burden and their enthusiasm for farming and growing cotton and grain has been dampened. All these warrant the serious attention of party and government organs and leading comrades at all levels. They must be determined to consolidate the agricultural foundation so as to ensure continuous, steady, and coordinated development in the province's agricultural production.

To consolidate the agricultural foundation, we must first unify the ideological understanding of cadres and the masses with the spirit of the this year's Central Document No 1, further implement various rural policies of the party, carry out reform in depth, and arouse the enthusiasm of peasants for building socialism. Second, we must attach importance to grain and cotton production. Failure in cotton and grain production will not only directly affect people's daily life, but will also jeopardize industrial production and the whole economy. Therefore, we must readjust the rural production structure and agricultural production structure according to local conditions and on the

basis of a steady increase in grain production. We must achieve economic, ecological, and social benefits simultaneously in the readjustment. Meanwhile, we must strengthen capital agricultural construction, increase agricultural investment, strengthen construction of water conservancy works, promote scientific and technological advancement, and speed up the research, storage, promotion, and application of agricultural science and technology. We must constantly change conditions for developing production and use new science and technology to vigorously develop the social productive forces.

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CSO: 4007/337

BRIEFS

HUNAN PEASANTS' INCOME INCREASES--According to the sample investigation of 3,700 peasant households in 37 counties conducted by the provincial rural sample investigation team. The per capita net income of peasants in Hunan Province last year was some 395 yuan, 47 yuan more than in the preceding year and an increase of 13.5 percent. The increase in the per capita net income in the mountainous areas was greater than in the plains areas. The per capita net income in the plain areas last year was 20.2 percent more than in the preceding year, while the per capita net income in the mountainous areas last year was 23.4 percent more than in the preceding year. [Summary] [Changsha Hunan Provincial Service in Mandarin 1100 GMT 10 Mar 86 HK] /12232

HUNAN FORESTRY REVIVAL--Hunan's forestry resources have now started to revive after more than 20 years of continuous depletion. The depletion during the fifties and sixties amounted to over 90 million cubic meters of timber. Since the 3d Plenary Session of the 11th CPC Central Committee, the artificially afforested area in the province has reached 40 million mu, while 2.11 million mu have been sown by aircraft. Some 690,000 mu of farmland have been returned to forestry. The lumbering quota set for the province last year was 3.12 million cubic meters, but in fact only 2.48 million cubic meters were cut. This figure plus peasant consumption and losses caused by natural disasters and so on added up to a total of 7 million cubic meters of timber, the lowest in recent years. In the same year the province's forestry resources grew by a total of some 9 million cubic meters. [Summary] [Changsha Hunan Provincial Service in Mandarin 2300 GMT 11 Mar 86 HK] /12232

CASTOR OIL SUPPLY--In the past few years, because castor oil output has decreased, market supply has been tight. Hunan needs 20,000 to 30,000 dan of castor oil every year, but the province can only provide about one-third of this, the rest must be transferred from other provinces. In 1985, estimated purchases were 6,000 dan, an increase of 62 percent over 1984. Because of the influence of international markets and increase in domestic production, the industrial use of oil is more stable, and the need for castor oil will not greatly increase. Therefore, in 1986 the situation of supply not meeting demand will be somewhat alleviated. However, we can not relax production of castor oil in 1986, since production of castor oil does not meet demand in Hunan, we must put more emphasis on production. [Excerpt] [Changsha HUNAN NONGYE [HUNAN AGRICULTURE] in Chinese No 2, 1 Feb 86 p 37]

HUNAN GRAIN BUSINESS--By the end of February, Hunan Province had stored in its warehouses 7.99 billion jin of basically fulfilling last year's quota for ordering grain. The Provincial Grain Bureau has decided that beginning March, all grain departments throughout the province will procure grain at negotiated prices. [Summary] [Changsha Hunan Provincial Service in Mandarin 1100 GMT 13 Mar 86 HK] /12232

CSO: 4007/334

JIANGSU GOVERNOR COMMENDS ADVANCED GRAIN PRODUCERS

OW210038 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 18 Mar 86

[Text] A provincial meeting on grain production, which commended advanced collectives and individuals in this regard, closed in Nanjing on 18 March. According to the meeting, the major tasks for the province in grain production this year are: stepping up procurement work, lending support to grain production, developing the fodder industry, backing livestock and fish breeding, doing a good job in processing and supplying grain and edible oil, and providing better service to the people's everyday life.

The meeting said: Despite difficult tasks, the staff and workers in Jiangsu's grain departments successfully fulfilled the plan last year. The grain purchased on contract or at negotiated price totaled over 7.5 million tons in the province, which also delivered grain to support 24 provinces, autonomous regions, and municipalities. Grain and edible oil were securely stored in warehouses or open-air repositories throughout the province. Advances were also made in the processing of grain and edible oil, the fodder industry, and other diversified undertakings, topping other provinces in terms of output, output value, and profits.

Leading provincial Comrades Gu Ziulian, governor, and Jin Xun, as well as Vice Minister of Commerce Ji Ming, presented banners and certificates to 34 civilized units, 176 advanced enterprises, and 345 advanced workers in Jiangsu's grain departments.

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CSO: 4007/337

BRIEFS

CROP-GROWING GROUPS ORGANIZED--Shenyang, 17 March (XINHUA)--More than 24,000 peasants on the outskirts of Shenyang, capital of Liaoning Province, have organized themselves into crop-growing research associations, according to the LIAONING DAILY. The 214 associations study and popularize techniques in crop cultivation and animal husbandry, playing the role of "accelerator" in commodity production. An onion-growers association, founded by Tong Yingwen in Luojiafang Township, Xinmin County, teaches other growers farming techniques. Last year, Tong's village produced 3,250 tons of onions, with earnings averaging 500 yuan for each person. A chicken association in Liaozhong County helps peasants with supply of feed and young chickens and the marketing of mature poultry. A Ginseng association in Baiqing Township, Sujiatun District, now has more than 1,000 members from other parts of China. [Text] [Beijing XINHUA in English 1241 GMT 17 Mar 86 OW] /12232

CSO: 4020/243

NEI MONGGOL HOLDS CONFERENCE ON SPRING FARMING

SK170437 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 16 Mar 86

[Excerpts] The regional people's government held a regional telephone conference to call on all localities to concentrate efforts on spring farming, with the focus on grain production, lamb delivery and care, and construction of water conservation projects.

The conference pointed out: Four tasks should be conscientiously fulfilled in order to make grain production successful. First, we should guarantee the area sown to grain. Areas suitable for grain production must not be sown to other crops. To guarantee the acreage of grain fields, the regional people's government decided that the contract purchasing system should also be applied to the production of this year's major cash crops, such as beets and oil-bearing crops, and that all localities should complete signing the purchasing contracts for cash crops before spring sowing. Second, we should adopt various measures to solve the problems in fertilizer supply. The State Council recently issued a circular on issues concerning fertilizer. All localities should step up efforts to work out measures for implementing the circular, and encourage the masses to apply more locally produced minor fertilizer. Third, we should step up signing of grain purchasing contracts. To enable peasants to enjoy more benefit, our region will adopt flexible measures in three aspects this year: 1) Purchasing contracts will be signed on six local varieties of grain, including millet, buckwheat, and sorghum, in addition to the four state-stipulated varieties of wheat, paddy, corn and soybeans; 2) contracted purchases of the variety which enjoy good sales in markets will be properly reduced, and those of miscellaneous grains which are not easily salable will be increased; and 3) grain production will be linked with fertilizer supply, and this year major fertilizer to be supplied at parity price will be supplied to the masses in accordance with the quantity of the marketable grain they sell. Fourth, we should implement the policy of supporting grain and vegetable production with rural industries.

The conference emphasized: Water conservation projects are an important part of agricultural capital construction. As our region is windy and dusty, and suffers drought 9 out of 10 years, conditions for the survival of all living things and for production be lost without water. We should understand that successive increases in agricultural production over the past few years should be attributed to the water conservation projects built in the past years in

addition to policies, which have boosted the people's enthusiasm. In paying attention to water conservation projects, we should pay particular attention to this spring's work of preventing and combating drought, fully use our existing water conservation projects, and irrigate more areas and more effectively.

This conference was held on the evening of 14 March. Bai Junqing, vice chairman of the region, spoke at the conference.

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CSO: 4007/336

NINGXIA PLANTS TREES TO COUNTER SOIL EROSION

OW200248 Beijing XINHUA in English 0231 GMT 20 Mar 86

[XINHUA headline: Region Cloaks Itself Against Soil Erosion]

[Text] Yinchuan, 20 March (XINHUA)--Authorities in the barren Ningxia Hui Autonomous Region have organized the planting of 260 million trees over the past 5 years to improve farmland and counter soil erosion.

The trees have been planted over 240,000 hectares, and this has increased the region's tree-cover to 5.46 percent of its total area, compared with 2.58 percent in 1980, an official in this regional capital said.

In Zhongwei County, on the verge of a major desert, tree-cover has reached as high as 21.3 percent.

The regional Forestry Bureau official said they planned to cover 10 percent of Ningxia with trees by 1990.

The region, on the Loess Plateau along the upper and middle reaches of Yellow River, suffers from serious soil erosion.

Local authorities have adopted four main measures to combat this.

First, they have launched several major forestry projects, including building shelter belts to protect water and soil resources.

They have also encouraged farmers to contract to plant trees on barren hills by promising them the use of the hills.

The authorities have promoted advanced planting techniques, and have trained 40,000 people in the skills involved. As a result, the survival rate of seedlings is now 75 percent.

Finally, they have encouraged the whole population to help in the drive by volunteering to plant trees.

/12232
CSO: 4020/241

BRIEFS

REFORMS BOOST RURAL OUTPUT--Yinchuan, 15 March (XINHUA)--The average peasant in the Ningxia Hui (Moslem) Autonomous Region earned 9.8 percent more last year than in 1984, despite natural disasters, officials said here today. Rural reforms resulted in a 12.8-percent increase in the rural area output value in the northwest China region from 1984 to 1985, though natural disasters had decreased its grain output by 110,000 tons during the period, they said. The reforms included free marketing of agricultural products except grain (the government buys grain through contracts signed with the peasants). Products used to be sold to the government according to mandatory quotas set by the government. The region has also made efforts to diversify its agriculture by developing animal husbandry. The output value of Ningxia's animal husbandry increased by 24.9 percent from 1984 to 1985, said the officials. The income of Ningxia's rural industry also increased by 68.4 percent during the period. [Text] [Beijing XINHUA in English 0753 GMT 15 Mar 86 OW] /12232

CSO: 4020/243

JPRS-CAG-86-013
9 April 1986

QINGHAI RADIO URGES WATER CONSERVANCY IMPROVEMENTS

HK200721 Xining Qinghai Provincial Service in Mandarin 2330 GMT 19 Mar 86

[Station reporter's commentary]

[Excerpts] Qinghai has scored good success in water conservancy construction since the founding of the state. During the past 30 and more years, the state has invested 800 million yuan in constructing a large number of water conservancy facilities in the province, which have effectively stimulated the development of agriculture and animal husbandry. The province now has an effective irrigated area of 2.93 million mu, nearly 300 percent more than in the early post-liberation period. The grain produced on the irrigated land, which represents one-third of the arable area, accounts for two-thirds of the province's total grain output.

However, there are also some problems on the water conservancy front. If we fail to seriously set about solving them, the victorious fulfillment of the province's Seventh 5-Year Plan is bound to be affected. The main problems are: The leaders in some places have relaxed leadership over water conservancy construction, and are attaching less importance to water conservancy than before; investment in agriculture has been reduced, with the result that many water conservancy projects are ageing and have lost their effectiveness; and management of the facilities is rather weak.

Qinghai, located on a plateau, is an arid place short of water. Many places have still not extricated themselves from relying on heaven for growing crops and raising livestock. The moment a natural disaster occurs, agriculture and animal husbandry are affected. Water conservancy is therefore of particular importance in Qinghai.

The government at all levels and the water conservancy departments must fully realize the importance of water conservancy construction in ensuring steady development of agriculture and animal husbandry and strengthening the reserve force of agriculture, and truly put water conservancy work in an important place on their agenda.

It is necessary to consolidate and develop the existing water conservancy facilities, and improve the quality of those projects in the pipeline. The water conservancy departments must get rid of the idea of attaching much importance to construction and little to management, which has existed for a long time, and practice the contract responsibility system for water conservancy management.

/12712
CSO: 4007/337

QINGHAI COMMENTARY ON GRAIN PRODUCTION, DIVERSIFICATION

HK060522 Xining Qinghai Provincial Service in Mandarin 2330 GMT 2 Mar 86

[Station short commentary: "Persist in Coordinated Development of Grain Production and Diversification"]

[Text] Document No. 1 of the CPC Central Committee for 1986 explicitly points out that we must never relax our efforts in developing grain production and must actively develop a diversified economy. This is the basic policy of the CPC Central Committee guiding this year's agricultural production. The practice of readjusting the province's rural production structure over the past 2 years has proved that the steady growth of grain output is a prerequisite to readjusting the internal structure of agriculture, and an important condition for vigorously developing all economies. In the course of implementing various rural policies formulated by the CPC Central Committee and continuing with the second step of reform in the rural areas, leaders at all levels in the province's rural areas must correctly handle the relationship between grain production and a diversified economy.

On the one hand, we should not merely develop a diversified economy to the neglect of grain production; on the other hand, we cannot lay undue stress on grain production and ignore a diversified economy. The economic foundation in the province's rural and pastoral areas is very poor. We are thus required, while grasping agricultural production and animal husbandry, to formulate various concrete methods and measures to support peasants and herdsmen in developing a diversified economy, so as to gradually implement the policy of developing industry to supplement agriculture, developing sideline production to breed agriculture, developing industry and sideline production to support farming, and developing economic crops to support grain crops. Only thus is it possible to form a comprehensive production structure with agriculture as the foundation and with combined and coordinated development of a diversified economy, and to promote steady, continuous, and coordinated economic development.

/9716
CSO: 4007/324

QINGHAI LEADER URGES MEASURES TO BOOST GRAIN OUTPUT

HK180257 Xining Qinghai Provincial Service in Mandarin 2330 GMT 17 Mar 86

/Excerpts/ The proposal on the province's Seventh 5-Year Plan adopted by the recent fifth enlarged plenary session of the Sixth Qinghai Provincial CPC Committee pointed out that the province's grain output should rise to 2.3 to 2.4 billion jin a year during the period of the plan. This year the province should strive to produce 2.1 billion jin.

Station reporter (Wang Chengcheng) recently interviewed (Hu Qinghua), director of the provincial agricultural and forestry department, on how to achieve this target. (Hu Qinghua) said: Since last year, some parts of the province have attached much importance to industry and little to agriculture and have slackened agricultural production. We must pay full attention to this problem. To achieve the goal of producing 2.1 billion jin of grain this year, the organizations at all levels must have a clear guiding idea and focus on the following three tasks:

1. It is necessary to stabilize the grain area to ensure steady growth of grain output. Apart from natural disasters, reduction in the sown area was a major factor in the grain output decline in Qinghai last year. This year we must return to the 1984 sown area by exceeding 6 million mu. Only thus can there be a reliable foundation for steady growth in grain output.

2. We must attach importance to agricultural science and technology work and promote scientific cultivation.

3. We must take effective measures to stimulate the peasants' enthusiasm for growing grain. We must ensure that grain-growing peasants gain tangible benefit.

/12228
CSO: 4007/333

BRIEF

SPECIALIZED HOUSEHOLDS--According to Xian WANBAO, Xian City now has over 35,000 specialized households, representing 4.5 percent of the total number of rural households. Their average income is 6,900 yuan, several times higher than the average in the city's rural areas. The development of these households in Xian is marked by the following characteristics: 1) Their economic scope is continually expanding. 2) More and more peasants are engaged in secondary and tertiary industries. 3) Production is becoming more commodity-oriented and specialized. 4) Labor productivity is high. The wealth created by each laborer in a specialized household is 270 percent higher than the average for the city. [Text] [Xian Shaanxi Provincial Service in Mandarin 0200 GMT 14 Mar 86 HK]

FISH OUTPUT--Based on incomplete statistics from the Shaanxi provincial water conservancy and water protection department, last year the output of fresh fish was nearly 6,000 tons, more than double that of 1980; commodity fish increased by more than 1,600 tons over 1984. [Excerpt] [Xi'an SHAANXI RIBAO in Chinese 19 Feb 86 p 1] /8309

SHAANXI PEASANT INCOME--According to a sample survey conducted by the Provincial Statistics Bureau, the average net income of Shaanxi's peasants last year was 295 yuan, an increase of 12.5 percent over 1984 and a rise of 153 yuan over 1980. During the 25 years from 1955 to 1980, the average peasant income in the province rose by only 68.8 yuan. [Summary] [Xian Shaanxi Provincial Service in Mandarin 2300 GMT 15 Mar 86 HK] /12232

CSO: 4007/336

LETTER NOTES PROBLEMS IN ANIMAL HUSBANDRY

SK221330 Jinan Shandong Provincial Service in Mandarin 2300 GMT 21 Mar 86

[Text] (Zhang Qijun), a reporter of this radio station, recently wrote to the station, reflecting that new problems have merged in the province's animal husbandry production, meriting the full attention of all people.

The letter reads: After the Spring Festival, the prices of pork, sows, and eggs in the province's rural areas have declined sharply and these commodities have become unsalable. As a result, many sows and hens have been slaughtered. Yantai, Qingdao, Weifang, and Zaozhuang cities and Linyi, Heze, Taian, Dezhou, and Liaocheng prefectures have universally reflected that many peasant households have not yet purchased piglets for raising after they slaughtered their fattened hogs before the Spring Festival. Recently, some peasants in Heze Prefecture have begun to slaughter more hogs. The number of sows, live hogs, and hens being raised in the province has dropped remarkably. The main reason for the above problems is that the market prices of corn and mixed feed have markedly increased since the end of last year and that the state has readjusted and reduced the purchasing prices of live hogs. In addition, the relevant departments have failed to fully display the role of being main channels. Some state-run foodstuffs units, instead of vigorously taking part in circulation and taking the initiative in helping the people solve problems in the face of the peasants' difficulties in selling eggs and hogs, have even adopted the method of purchasing eggs and hogs according to vouchers or a fixed quota. Another important reason is that some livestock raising households lack a long-term economic viewpoint.

The letter calls on the agricultural, grain, commercial, and supply and marketing departments to adopt measures as soon as possible and provide all possible conveniences for the peasants in terms of animal feed and the sales and purchases of the above commodities in order to protect the enthusiasm of peasants in livestock raising. If we fail to properly deal with this problem, our province's animal husbandry will witness a downward trend on the basis of last year's great development, and a series of problems, such as difficulties in buying eggs and meat, can arise at any time.

/12232
CSO: 4007/336

SHANDONG

SHANDONG ISSUES CIRCULAR ON GRAIN PURCHASING CONTRACTS

SK120534 Jinan Shandong Provincial Service in Mandarin 2300 GMT 9 Mar 86

/Text/ Recently the provincial People's Government issued a circular for 1986 on ensuring the purchases of grain and edible oil on a contract basis and carrying out the system of responsibility for purchasing, marketing, and allocating grain.

The circular specifies: In order to protect and mobilize the enthusiasm of the peasants for producing and marketing grain, the province should properly readjust and reduce the 1986 tasks for purchasing grain on contract basis and increase the grain purchasing quotas entrusted by the state. All localities must ensure fulfillment of the province-assigned grain-purchasing plans. The province will properly reduce the grain allocations to the cities and prefectures that fail to fulfill the province-assigned grain purchasing plans. The reduced amount will be equivalent to the amount that they fail to realize under the contracts.

The circular called on the people's governments at all levels to timely fulfill the tasks for purchasing grain on a contract basis down to every village and every household. Contracts must be strictly executed as soon as they are signed. The villages and households that have conditions for fulfilling the contracts but fail to fulfill them because of engaging in industrial and sideline production and business should timely compensate the province with money calculated in terms of the difference between the proportional prices and the negotiated prices. In purchasing grain, the grain departments should persistently implement the policy of paying cash to the households on delivery of grain, but must not extort any funds from the peasants, except for agricultural taxes. The grain purchasing plans entrusted by the state must not be regarded as tasks or assigned to the lower levels. We must offer this information to the peasants so that they will make good arrangements for production. The edible oil-purchasing contracts should be signed with the villages and households at the time when the grain purchasing contracts are signed. The cottonseed oil-purchasing contracts and the cotton-purchasing contracts should be signed at the same time.

The circular stressed: In order to ensure the fulfillment of the grain-purchasing contracts and the grain-purchasing plans entrusted by the higher levels, we should conscientiously strengthen market management and earnestly

implement the policies of giving preferential treatment to those who sell grain to the state. We must ensure the implementation of the policies that the peasant who sell 100 yuan worth of grain to the state is entitled to buy 60 jin of quality chemical fertilizer and 8 jin of diesel oil at parity prices and that the peasant who sells 100 jin of peanuts to the state is entitled to buy 30 jin of quality chemical fertilizer at parity prices.

The circular specified: The cities and prefectures should be responsible for the fulfillment of the grain marketing quotas assigned by the province. The province will not make up for the above-quota marketing grain while the localities may obtain the surplus portions. The grain consumption quotas assigned to the localities after the readjustment of the production structure will be valid for 3 years. Except that the areas failing to fulfill the grain allocation plans assigned by the province due to serious natural disasters will be subject to readjustment or reduction of the plans with the approval of the province, the areas that fail to fulfill the plans for allocating grain to other places should compensate the province with money calculated in terms of the difference between the parity prices and negotiated prices. The areas that ask for above-quota grain allocations should buy grain from the other places at negotiated prices or try to find other solutions.

/12228
CSO: 4007/333

SHANDONG TAKES MEASURES FOR COTTON PRODUCTION

SK170535 Jinan Shandong Provincial Service in Mandarin 2300 GMT 16 Mar 86

[Text] The provincial cotton production conference which concluded on 16 March summed up the achievements and experiences gained last year in readjusting the cotton fields and upgrading the quality of cotton, analyzed the situation of cotton production for this year, and studied and worked out six measures for cotton production in line with the current production situation.

First, clearly understand the ideology for guiding cotton production. This year, we should adopt measures for stabilizing cotton production and avoiding the continuous downward trend.

Second, fix the size of cotton fields. Efforts should be made to ensure that this year's cotton fields should be no less than 18 million mu and that the per-unit area yield of cotton fields should reach more than 120 jin. This spring, we should give priority to arranging cotton fields and to planting cotton on the wheat fields to be interplanted with other crops. Simultaneously, we should enthusiastically develop remote uncultivated areas for cotton plantation.

Third, further upgrade the quality of cotton. We should try our best to replace Lumian No 1 with Lumian No 6.

Fourth, achieve the construction of quality cotton production bases.

Fifth, vigorously popularize such technologies as covering the cotton fields with mulching films and scientifically applying fertilizer.

Sixth, firmly grasp the preparations for planting cotton.

/12712
CSO: 4007/337

SHANXI RADIO STRESSES AGRICULTURE AS FOUNDATION

HK160331 Tiayuan Shanxi Provincial Service in Mandarin 2300 GMT 15 Mar 86

[Station commentary: "It Is Essential to Take Agriculture as the Foundation in Developing the National Economy"]

[Excerpts] The Central Document No 1 of 1986 explicitly points out that taking agriculture as the foundation in developing the national economy reflects natural as well as economic laws. We must unswervingly regard this as a long-term strategic principle.

It should be pointed out that, when great success has been scored in rural reforms and there has been considerable development in agricultural production, certain comrades neglect agricultural development and lack sufficient understanding of the importance of taking agriculture as the foundation in developing the national economy. Some hold that since we have now succeeded in grain production, there is no need to devote great effort to agriculture. Some say that agriculture needs much investment which needs a long cycle and produce little result, and that faster results can be gained in developing rural industry. They therefore devote their main efforts to developing rural industry and are not bothered about agriculture.

These ideas have, to a certain extent, resulted in a big reduction in agricultural investment and in lack of care and attention for agricultural production services. They have caused continual increase in the peasants' burden and thus had an impact on the peasants' enthusiasm to develop agricultural production.

Without agricultural development, the internal relations of the entire national economy will get out of balance, and the improvement of people's living standards and social stability will be directly affected. If there are reversals in agriculture, the peasants' food and clothing will be directly affected, and when that happens, everyone in the rural areas will be growing food again. Rural industrial development will be impossible.

At present the leaders in a few places set the building of energy, heavy, and chemical industry bases against developing agriculture. In fact there is unity between building these bases and developing agriculture in the province. If agriculture develops, it can provide sufficient raw materials for industry, supply grain and nonstaple food for those engaged in inudstrial production, and

also offer extensive consumer and manpower markets for industry. Moreover, for quite a long time to come, the great majority of Shanxi's 20 million peasants can only depend on agriculture and cannot engage in industry or commerce.

As far as the food question is concerned, Shanxi still has to import some grain and pork from other provinces. If we fail to develop agriculture with vigor, this situation of inadequate supply of grain and meat will continue to develop. Hence we should pay equal attention to developing agriculture and to building Shanxi's energy, heavy, and chemical industry bases, and ensure that these two endeavors stimulate each other; we should not set one against the other, so that they squeeze out each other.

/12232
CSO: 4007/336

TIANJIN

BRIEFS

AGRICULTURAL OUTPUTS--In 1985, it is estimated that the total rural social output value in Tianjin may reach 6.09 billion yuan. After readjustment, the proportion of the area sown to grain crops in Tianjin decreased from 78.1 percent in 1984 to 74.4 percent; gross output of grain is estimated to be 2.8 billion jin. The area sown to cash crops increased from 13.4 percent to 16 percent. The output value of forestry may reach 24 million yuan, an increase of 1.2 percent over 1980; the output value of the livestock industry may reach 297 million yuan, a 82.2 percent increase over 1980; the output value of sideline industry may reach 2 billion yuan, an increase of 120 percent over 1980; aquatic output was 50,000 tons, a 55.7 percent increase over 1980. [Excerpts] [Beijing NONGMIN RIBAO in Chinese 22 Feb 86 p 1] /8309

CSO: 4007/330

XIZANG HOLDS SCIENCE, TECHNOLOGY RURAL WORK FORUM

HK171049 Lhasa Xizang Regional Service in Mandarin 1130 GMT 13 Mar 86

[Excerpts] On the morning of 11 March in Lhasa, the region held a work forum on science and technology in rural areas. Hu Songjie, Standing Committee member of the Regional CPC Committee, attended the opening ceremony and made a speech.

In his speech, Hu Songjie said: At present, the region's agricultural and animal husbandry production are developing on a full scale. They have changed from the single-product production of the past to one of diversification and comprehensive development. The invigoration of rural areas has projected a promising future before us. However, there is still a wide gap between our situation and the realization of invigoration. The task is therefore very arduous. Both agricultural and pastoral areas face the problem of shortage of scientific and technological personnel. Therefore, our prime task is to have the scientific and technological personnel applying science and technology to agricultural and animal husbandry production. This requires that scientific and technological workers seriously implement the party's principles concerning science and technology, and made science and technology serve the rural economy. In other words, there will be no economic invigoration without advanced science and technology.

On the region's tasks concerning science and technology in the agricultural and animal husbandry areas, he said: In short, they must serve the party's general line and general tasks. In connection with the region's conditions, this means that they must serve the goal of building a united, prosperous and civilized new Xizang.

In his conclusion he said: In order to do well in the economic construction of Xizang, we must popularize science and technology down to the agricultural and animal husbandry areas. We must make the work regular, popular and practical.

At the forum (Xu Weiqing), vice chairman of the Regional Science and Technology Association, made a report entitled: Science and Technology Work Must Serve the Region's Development of Agricultural and Animal Husbandry Areas.

The report called us for doing well in the following tasks:

First, we must grasp well scientific research in areas which can greatly influence the region's economic development. We must expend great efforts on

areas which can promptly improve economic results and social benefits, and make plans for conducting long and intermediate-term research projects, which will be the region's reserve projects. In particular, we must pay attention to the study and popularization of suitable technology.

Second, we must provide technological services for technological transformation and improvement among the medium-sized and small enterprises, as well as town and township enterprises.

Third, we must grasp well a number of small projects which can promote the economic development of agricultural and animal husbandry areas, and which can support the development of town and township enterprises.

/12232
CSO: 4007/334

YUNNAN

YUNNAN HOLDS TELEPHONE MEETING ON FIGHTING NATURAL DISASTER

Temperatures Below Normal

HK140437 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 9 Mar 86

[Excerpts] The provincial CPC Committee and people's government yesterday evening held a provincial emergency telephone meeting on resisting natural disaster and wresting a bumper harvest, calling on party members, CYL members, cadres, and the masses in the province to go into action immediately, pool their wisdom and strength, and make new and greater contributions in overcoming natural disaster, in increasing production and wresting a bumper harvest, in fulfilling this year's economic plan, and in promoting steady, continuous, and coordinated economic development in the province.

He Zhiqiang, deputy secretary of the provincial CPC Committee and provincial governor, first delivered a speech at the meeting.

He said that since 28 February high-pressure cold air currents from the north have invaded our province, resulting in disastrous cold never seen in the province over the past several decades. This was precisely the season for late-autumn crops to flower and bear fruit. Most areas in the province were hit by frost and snow, and the temperature dropped sharply to below zero Centigrade, or even to 8 degrees below zero in some areas, much to the detriment of late-autumn crops, vegetables, and fruits. The disastrous cold has also done harm to industrial production, public facilities, and transportation.

He Zhiqiang said that this year is the first year of the Seventh 5-Year Plan. The serious natural disaster in early spring in the province is a severe test for us. We must not only realize the seriousness of the current disaster, but must also see the enthusiasm of cadres and the broad masses. The harvest of late-autumn crops is part of the production of the whole year. Provided that we rely on the efforts of the cadres and broad masses, we can certainly overcome the natural disaster and wrest a bumper harvest.

He Zhiqiang said that first, it is necessary to unify the ideas of cadres and the masses so that they can reach a common understanding regarding relying on their own efforts to overcome the natural disaster and wrest a bumper harvest, vigorously developing agricultural production to promote continuous, steady, and coordinated economic development, and making a good start of the first year of the Seventh 5-Year Plan. Second, it is necessary to take effective measures to overcome the natural disaster and to increase production.

On now to properly carry out relief work, He Zhiqiang put forth six concrete measures:

1. The crops which have been seriously damaged by the cold must be removed and discarded. The land must be used to grow any crops suitable.

2. It is necessary to try by every means to reap a bumper harvest of spring crops.

3. It is necessary to bring into full play the role of science and technology in overcoming the natural disaster and wresting a bumper harvest.

4. It is necessary to ensure the supply and delivery of various relief goods and to promptly deliver seeds, chemical fertilizers, pesticides, gasoline, diesel, and plastic film urgently needed in spring farmwork.

5. It is necessary to open up more avenues and adopt more methods to increase income.

6. Areas which were not hit or were slightly hit by the natural disaster must made good preparations for resisting natural disasters, properly manage late-autumn crops to reap a bumper harvest, make early preparations for spring farmwork, and do their utmost to increase production and income to assist disaster areas.

He also demanded that CPC committees and governments at all levels strengthen their leadership over the work of preventing and resisting disaster. Leading groups for preventing and resisting natural disaster must be established and perfected at all levels. Those levels which have not yet established this kind of leading group must do so as soon as possible.

More than 1,000 cadres from provincial organs have been dispatched to disaster areas. All localities must also dispatch cadres to disaster areas to carry out relief work together with the local masses.

Liu Shusheng, deputy secretary of the provinical CPC Committee, presided over yesterday evening's telephone meeting and delivered a speech.

Circular on Natural Disasters

HK160239 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 15 Mar 86

[Excerpts] The provincial CPC Committee and government issued an urgent circular on 15 March on doing a good job in fighting natural disasters and achieving increased output and income in agriculture.

The circular said: At the end of February and the beginning of March, the province was hit by the most serious frost and snowfalls since 1928, causing serious losses in the spring-harvested grain, vegetables, and fruit crops, and bringing many difficulties to the people's livelihood and to industrial and agricultural production throughout the province. The party committees and

government of all levels have attached great importance to this situation. As a result of 2 weeks of work, the situation in the rural areas is now good and the cadres and masses are mentally stable.

In order to further mobilize the cadres and masses to overcome the disaster, achieve increased agricultural output and income, and maintain sustained development of the national economy, the provincial CPC Committee and government issue the following instructions:

1. Brace spirits and be resolved and confident to overcome the disaster and achieve increased agricultural output and income. Although the losses to the spring-harvested crops are serious, there are favorable conditions for achieving increased output of the spring-sown crops and attaining the goal of producing 20 billion jin of grain this year.

Despite the serious losses caused in the spring-harvested crops, we must unswervingly continue to carry out rural reforms and readjust the production structure without any wavering; however, we must advance with steady steps, do our work in a thoroughly sound way, and ensure that the reforms and readjustment are gradually completed and perfected.

2. Fully launch the masses to adopt all measures to increase production, and firm up measures for each village and household.

3. In the drive to get rich through increasing income, we must broaden our vision and help the masses to find ways of increasing income. Full use must be made of local resources. We must promote domestic industry and sideline occupations, stock-raising, cultivation, mining, and processing, and the township enterprises.

4. Make proper arrangements for the masses' livelihood. Pricing and industry and commerce administrative departments must strengthen supervision and checks on market prices and resolutely curb random and disguised price hikes, so as to protect the masses' interests. We must strictly investigate and deal with lawbreakers who spread rumors to mislead the masses, hike prices, and disrupt the markets.

5. Strengthen leadership over this year's agricultural production and do a good job in ideological and political work.

/12232
CSO: 4007/338

BRIEFS

YUNNAN SCIENTIFIC FARMING SOCIETIES--Kunming, 20 March (XINHUA)--Almost 10,000 peasants in Yunnan Province have joined scientific farming societies. A provincial official in the department of agriculture revealed here today that these groups now number more than 500. Sponsored and funded by the peasants themselves, the societies are studying special crop cultivation techniques and agronomy. Scientists and agrotechnicians are invited to lecture on subjects proposed by the peasants. [Text] [Beijing XINHUA in English 0743 GMT 20 Mar 86 OW] /12232

CSO: 4020/243

BRIEFS

NEW RICE VARIETY--Hangzhou, 18 March (XINHUA)--The biological engineering of rice, flowers, and herbs has become a new trade in Zhejiang Province. The China Rice Research Institute has bred a new rice variety which is widely planted by the local peasants because of its resistance to disease and its higher yield. Qiu Wenda, a teacher at the provincial agricultural university, has invented a quick way to propagate narcissus, chrysanthemum, camellia, azalea and 20 other kinds of flowers. Chinese caterpillar fungus is considered to be good for one's health but in short supply because it only grows on high mountains. Now the scientists breed it in the laboratory. The two factories that breed caterpillar fungus yield 40 tons a year, and five other factories have become prosperous by producing medicine with fungus as a raw material. [Text] [Beijing XINHUA in English 1151 GMT 18 Mar 86 OW] /12232

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END

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China Report

AGRICULTURE

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NATIONAL LAND RECLAMATION CONFERENCE IN SESSION

OW011122 Beijing XINHUA in English 0656 GMT 1 Apr 86

[Text] Beijing, 1 Apr (XINHUA)--The agricultural and industrial output value of China's land reclamation farm enterprises reached 16.7 billion yuan in 1985, a 67 percent increase over 1980.

According to a national land reclamation conference now in session here, the per capita annual income of people working on reclaimed land reached 880 yuan last year, 37.5 percent more than in 1980.

Meanwhile, the per capita housing space reached seven square meters, a 1.3 square meter increase over 1980.

Because of poor management and over-emphasis on the production of grain, the country's land state farms incurred 3.2 billion yuan of losses during the 12 years before 1979.

However, they made 3.4 billion yuan in profits in the past five years, the conference was told.

The development of the land reclamation program in recent years is due to reforms which include the implementation of responsibility systems and encouragement for the farms to develop industry as well.

The output value of the industrial enterprises now accounts for 53.3 percent of the program's total output value.

China at present has more than 2,000 state farms, and about 9,400 industrial enterprises which belong to the land reclamation program.

The enterprises exported 940 million yuan of their products in 1985, a 106 percent increase over 1980.

According to the meeting, farms on reclaimed land now supply over 80 percent of the milk consumed in China's major cities such as Beijing, Shanghai, and Tianjin.

/9274
CSO: 4020/254

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NATIONAL

KEY STEPS IN READJUSTING RURAL STRUCTURAL REFORM

Beijing NONGMIN RIBAO in Chinese 14 Dec 85 p 1

[Article by Zhang Shaoguang [1728 4801 0342], Wu Xiulong [0702 4423 7893]]

[Text] The year 1985 is the first year in the second phase of the reform in the national rural economy. At the same time the system of unified and party procurement has been abolished everywhere, unreasonable structures that had existed within the area of rural production have also begun to be readjusted in an overall manner. As a result, in many regions there has arisen both the comprehensive development of agricultural, forestry, and animal husbandry sidelines together with fishery, and also a new model in which agriculture is managed together with industry and commerce.

Regarding agricultural planting, many regions have systematically reduced their acreage in grains and cotton, while expanding their acreage in cash crops. According to statistics, during 1985, the total acreage of cash crops throughout the country increased 50 million mu compared with 1984. The ratio of the planted cash crops and grains has been modified from 17:83 in 1984 to, after the readjustment in 1985, 21:79. The total expanded acreage is the largest of any year. Beside grains and cotton, there has been expansion in the planting of various other industrial crops and also an increase in joint management.

In the area of forestry, animal husbandry sidelines, and fishery, the total acreage of land on which agricultural cultivation has ceased in order to give way to these activities during 1985, was more than 8 million mu. Regarding tree-planting and forestry, the promising situation during 1984 in the area of tree-planted acreage has continued and in addition, the level of timber quality during 1985 is the highest since the country's founding. Reform in the internal production structure within the entire forestry industry has also begun to be taken seriously everywhere and its total income has increased visibly. There has been sudden development in both animal husbandry, which was in the position of "short legs" for a long time, and also aquatic products. During 1985, production of pork, beef, and mutton increased 15 percent compared with the year before. Aquatic products will total more than 6.5 million tons, with freshwater culture having increased 20 percent over 1984.

Within the whole rural economy, there has been comparatively rapid development in the production of labor, commerce, construction, transportation, and service industries. In particular, the township and town enterprises have been able to develop on their own in the creation of different types of management. As a result, their development has also been advanced. Township and town enterprises have thereby solved the employment problem that prevailed among the labor forces of over 60 million [as published] rural villages. This has been an important factor in the execution of the readjustment of the rural production structure. During 1985, total production of nonagricultural enterprises was 40 percent of total production in rural areas.

Readjustment of the rural production structure has led to both considerable increase in agricultural production and an outstanding rise in economic benefits. A comparison between 1984 and 1985 in the production of both agricultural planting and overall agricultural enterprises shows increases in the acreage planted. At the same time, the income of farmers is continuing to rise.

The readjustment of the rural production structure that is being carried on during 1985 is based on the work that had been done during the last few years. When compared with 1984, the readjustment that is being done in 1985 is on a larger scale with a wider scope. In most regions in the country during the last few years, the work that was carried out had been done under the "leftist" influence. As a result, it was intended either to recover the one structure of "making grain the key" or just to carry out partial readjustment. By comparison, the readjustment during 1985 has been done on a comprehensive scale within the structure of all the departments in rural production and also the areas of production under these departments. The result is intended to gradually free the farmers from being tied to the land. They will then fully utilize the resources around them that are in nature, the economy, or society. Finally, these farmers will develop commercial production according to local conditions and thereby advance the overall development of agriculture, forestry, animal husbandry sidelines, and fishery.

During 1985, the readjustment of the rural production structure has been carried out at the same time as the abolishment of the state and party procurement system. Now placed under state planning, agricultural production is also governed by marketing regulations. As a result, in their attempt to develop production of agricultural products that sell well and are of superior quality, many of the regions have readjusted their production structures with an eye on market needs. During 1985, the most obvious result has been accomplished in the readjustment of cotton production, with planted acreage being reduced 26 million mu. In addition, the relatively inferior species of Lu No 1 cotton has basically been discarded in favour of Lu No 2 cotton and the Ji No 8 cotton. At the same time, the planted acreage of both the finer grains and the superior rice has been increased in the country. In the wet rice paddies of the south, the acreage of inferior rice has been reduced 50 million mu. Xiangmi, heimi, and blood-red polished glutinous rice have become the "hot items" during

1985. In particular, the opening up of the sideline industries in the production of fresh and animal products have led to the fulfillment of market needs and at the same time, the production of more varieties and higher qualities.

In general, the readjustment of the rural production structure during 1985 has had outstanding results along the right direction. The whole rural economy has been infused with a sense of growth which shows abundance and exuberance. Regarding the problems that have arisen from the readjustment, they have already been taken note of by the relevant section and they will be dealt with accordingly.

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CSO: 4007/192

NPC URGES MORE FUNDS FOR AGRICULTURE, FORESTRY

OW311531 Beijing XINHUA in English 1440 GMT 31 Mar 86

[Text] Beijing, 31 Mar (XINHUA)--Chinese legislators called the nation's attention to the cutting of funds for water conservancy and overlooking of farm capital construction in the past few years.

While deliberating the draft of the Seventh 5-Year Plan at the current session of the National People's Congress (NPC) in Beijing, deputies from Jiangsu, Zhejiang, Jilin and Fujian Provinces, and Beijing, said that this problem must be checked in the next five years.

Of the planned 500 billion yuan earmarked for the country's capital construction in the next five years, according to 13 deputies from Zhejiang Province, funds for agriculture, forestry, water conservancy and meteorology share only 14.68 billion yuan.

They said this is far from enough, and suggested that the government increase funds for farm capital construction to consolidate this as a foundation for other sectors of the economy.

"Ours is a large country with a population of one billion," said Li Qingkui, a researcher at the Jiangsu Soil Research Institute, "a great attention must be paid to agriculture, and there is no reason to neglect grain production."

He called for a close look to be taken at the current alarming phenomenon he described as "soil deterioration, aging of farm machinery, dilapidation of water conservancy projects and degradation of crop strains."

Last year, China suffered a drop in its grain production, and this, in the view of Zhang Zhanlin, a village leader from the outskirts of Beijing, was partly due to farmers shifting from grain production to cash crops, which was apparently stimulated by the calculation that cash crops yield more profits.

"Moreover," he said, "since the land will change hands in a cycle of three years according to the present household responsibility system, farmers tend to be reluctant to fertilize the land contracted to them."

He suggested that the government take specific measures to give farmers incentives to produce grain.

In fact, the government has increased its 1986 budget for expenditures involved in agricultural production and operation by 16.1 percent to reach 11.79 billion yuan.

While favorably commenting on this increase, Xing Shaoming, an NPC deputy from Jilin Province, viewed that the government does not pay enough attention to forestry, a field that he thought should be taken special care of in the Seventh 5-Year Plan.

"Forestry is a pillar of agriculture," said Deng Chao, deputy director of the provincial commission for economic restructure in Fujian Province. "But the degree of forestry utilization is still very low."

He suggested that special forestry zones be established in the country and special policies be adopted to increase per-unit output and the ratio of standing timber.

/9274
CSO: 4020/254

FURTHER REFORM IN VEGETABLE-PURCHASING SYSTEM

Beijing ZHONGGUO CUNZHEN BAIYE XINXI BAO in Chinese 14 Dec 85 p 4

[Article by Mu Sheng [4476 0581]]

[Text] Although the vegetable-purchasing system has not been opened for a long time, changes in the situation indicate that the open system has led to more activities than the former systems of unified procurement and guaranteed sales. However, while the new system is heading in the right direction, there still remain problems which should continue to be perfected.

In the various regions now, the system is being carried out with variant degrees of opening up. From the point of circulating linkages, the system may be completely open. For example, except for Anshan City, the whole of Liaoning Province practices open purchasing. In other areas, there is openness to some degrees within general management. For example, Shanghai regulates up to 80 percent leaving 20 percent open; and Nanjing regulates 60 percent with 40 percent open. Still, in some areas, there is some regulation within the general opening of restrictions, for example, in some regions, only a small variety of the popular vegetables are regulated. Used in this context, regulation indicates that the state-managed vegetable company contracts with producers in purchasing a certain amount [80 or 60 percent] of their produces; opening means that the produce that has remained after the procured purchase can be freely sold in the market. The practice in Wuhan works on the principle of having regulation at either end, and opening in the middle. The regulation at one end manages the production in which the acreage to be planted is planned and assigned to vegetable farmers. At the other end, vegetable sales are regulated. It has, therefore, been decided that the state-managed vegetable company should not change its management direction or reduce its main focuses in order to guarantee each resident four liang of vegetables daily. Judging from the experiences everywhere and the situations in practice, further development of vegetables should be put under planning in order to avoid sudden price rises. Their opening should be done step by step. In their development, pricing should be based on market demand in order to fully utilize the seasonal nature of vegetables. The opening of their pricing will then facilitate the supply of vegetables because it will be based on both production and special circulation. The planning nature of vegetables

should be directed on the following main points: (1) To stabilize planted acreages. Now, there is a tendency to reduce acreages in urban suburbs planted with vegetables, while the contrary has been happening in a haphazard way in the countrywide further away from the cities and also in the agricultural areas. The acreages that are to be planted with vegetables should be included in the state planning, following the gradual establishment of contractual selling between the state and the producers. (2) The managing department should be in control of the sources of supply of popular vegetables. In times of necessity, supplies from afar may be brought in or in contrary circumstances, they may be sent afar. As a result, supply will continue during seasons of slow growth. (3) In times of necessity, temporary pricing measures can be carried out. However, this should only be temporary and for only a few items.

In order to reform the management structure of the vegetable industry, the guiding effect of the state-managed commercial industry should be given free play as a way to coordinate supplies and stabilize market prices. Therefore, vegetable companies should be reformed but not abolished. The basic retailers should be responsible for their own management profit and losses. At the same time, a clear distinction should be made between retailers who are self-managed and those who are managed by coordinated effort. For the latter, state subsidies should continue. In addition, the state-managed commercial industry should also offer positive pre- and post-production services. These services for vegetable and agricultural farmers may include disseminating technology, and making available information on guidance and supplies. At the same time, an authoritative organization that will be responsible for large-scale management and coordination should be established. This organization will be concerned with the commercial sector, the agricultural sector, pricing, taxation, any abnormities regarding the administration and pricing of vegetables produced within the commercial management sector. In addition, the organization should also be concerned with economic coordination in the policy of large-scale control and supervision. Both the large and medium-sized cities should also establish specialized wholesale markets for the vegetables in order to guarantee the necessary circulation of produce among the various regions. As a result, their transportation to the urban specialized households will be facilitated. In addition, wholesaling of vegetables within agricultural centralized markets will also be expanded, thus fulfilling also the need for smaller-scale wholesale transactions.

The subsidy policy should be determined rationally as soon as possible in order to give full play to the effect of subsidies. First, the subsidy sector should be separated from the sector that is concerned with self-management. Then, the practice in some regions of "having definite subsidies that are determined by the savings ratio" should be replaced by the policy of directly reporting the sales amount. In this area, a funding system under which the state will give out a determined amount every year as continual support should be considered. This subsidy may be used not only for the commercial sector, but also for producers.

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CONTINUED ATTENTION TO WATER CONSERVANCY URGED

Beijing NONGMIN RIBAO in Chinese 6 Jan 86 p 1

[Article by Yang Zhenhuai [2799 2182 2037]: "Reform in Water Conservancy Should Continue"]

[Text] During the period of the Sixth 5-Year Plan, water conservancy work has made great gains under the leadership of the various levels of the party and government. It has depended upon the masses and implemented the policies of adjustment, reform, reorganization, and improvement. The 100-billion yuan of fixed capital invested in waterworks over the course of the past 30-odd years has made a manifest contribution in the struggle to obtain rich harvests, especially since the contract responsibility system has been implemented in the countryside. Nationwide, 700 million mu of land is irrigated, just less than half of all land tilled. However, the quantity of grain that is produced on irrigated fields is two-thirds of the national total produced. And in a dry year, the proportion is even larger.

However, at present the flood prevention standards for the Huanghe, Changjiang, and medium and smaller sized rivers are too low and inadequate for the present state of development of the national economy. The flood prevention capacity of many rivers has been reduced owing to the accumulation of silt and human destruction (such as illegal use of riverbanks of the people's dykes). The rivers' capacity to safely discharge water has greatly dropped from what it was in the middle 1950s. This threatens the lives and property of rural and urban residents, as well as threatens stable and good harvests.

Water conservancy is the life blood of agriculture. Flood prevention, drainage, irrigation, water supply (including supplying water to the people and animals in agricultural and pastoral areas), hydropower, reservoir aquaculture, improvement of alkaline soil, water and soil conservation, prevention of water pollution, tourism, and other services comprise the important content of water conservancy work. Since ancient times, water conservancy and agriculture have been closely linked. After today, we plan to direct our efforts to the following tasks in order to improve water conservancy work:

1. Continuing water conservancy reforms. In 1981 we announced that the main point of emphasis in water conservancy work should shift to management.

In 1983, we affirmed the water conservancy policy of "strengthening operational management, improving economic returns," which was raised by Comrade Zhao Ziyang. In 1984, water conservancy reform was advanced further with a policy of "changing tracks and forms, providing comprehensive service." We still need to continue to strengthen the implementation of these. We should further clarify the levels of responsibility in water conservancy management. After today, we should work hard to implement "Regulations for Appraisal and Collection of Water Charges, and Management of Water Conservancy Projects" and "Reform of the Management System in Water Conservancy Projects and Expanding Comprehensive Operations," two documents which were promulgated by the State Council in 1985. We should continue to work on the two pillars (water fees and comprehensive operations) and the one key (the water conservaacy management system). We should also depend on every level of local government to organize the masses and accumulate labor for working on annual repairs for flood prevention and on winter and spring water conservancy projects. Present water conservancy project management should be strengthened, and destruction should be resolutely prevented. Economic returns should be improved so that the approximately 100-billion-yuan of fixed capital invested in water conservancy during the past 30-odd years can play the role that it should in preventing disastrous floods or drought.

2. Implementing an industry-helps-agriculture policy. During the Seventh 5-Year Plan, beside the increased state investment in agricultural basic construction, which will mainly be used in projects for the Huanghe and the Changjiang, I hope that the portion of state finances that is earmarked for the provinces to use as they wish for local water conservancy projects and agricultural water conservancy, as was first done in 1980, will once again reach the level that it was in 1980. This will provide auxiliary service to agriculture. I also hope that every year a portion of funds will be used for water and soil conservation in poor areas and for water supplies for rural residents and farm animals.

3. Strengthening the establishment of policies and laws. A. During the agricultural slack season between winter and spring, organize the masses to accumulate labor. Also, set a policy of reasonable burdens and implement measures in which industry helps agriculture. B. Gradually establish flood prevention funds or flood insurance funds. Urban industrial and commercial enterprises that are protected by dykes should fully contribute. Moreover, they should annually pay a portion of dyke maintenance fees and help shoulder a portion of the burden supported by people in flood diversion and detention areas. C. Extend to places with people displaced by reservoirs all kinds of favorable treatment that is extended to poor areas. People displaced by reservoirs should be aided by development policies aimed at helping newly settled peoples. At the same time, a set surcharge should be added to water fees collected in the areas served by a reservoir, such as in irrigation, water supply, hydropower, etc., which can be used to help displaced peoples begin new production. This is one way to regulate the respective interests of two groups of people. D. Use foreign capital to carry out water conservancy projects. Anhui and Gansu already have used foreign capital to carry out water conservancy construction. I hope that every place will further advance in using foreign investment for water conservancy. E. Strengthen the laws regarding water conservancy. At an early date issue laws regarding water, flood prevention, and related matters.

During 1986, while working hard to do well in our flood and drought prevention work, we must emphasize and closely address the task of water conservancy construction work in the winter and spring. In October 1985, the Rural Policy Research Center of the Politburo's Secretariat and the Ministry of Water Resources and Electric Power jointly issued a telegram regarding winter repair of waterworks. It called for a telephone conference on winter repairs, and since then winter repair of waterworks has expanded. The situation is excellent.

Finally, after the water conservancy reforms of the Sixth 5-Year Plan and the joint efforts of all places, we can say that China's water conservancy work already has passed through its most difficult period. The operational management of water conservancy has begun a positive cycle, thus establishing a good foundation for water conservancy construction in the Seventh 5-Year Plan that is about to begin. Water conservancy work in the Seventh 5-Year Plan will be able to continue reforms and advance, making contributions to the further prosperity and development of China's agriculture and to the stability of society.

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HIGH MARKET DEMAND SPURS BEEF, LAMB PRODUCTION, SALES

Beijing ZHONGGUO CUNZHEN BAIYE XINXI BAO in Chinese 20 Dec 85 p 1

[Article by Li Chucai [2621 2885 2088]]

[Text] The positive nature of farmers and herdsmen has been advanced again, after the continual perfecting of the rural responsibility system and the development of the commodity economy. In particular, included in these measures are the following: in the area of animal husbandry, the shifting of animal-keeping to the households; the practices of letting households set prices for cattle and sheep, of having private ownership of animals and the division of pastures among households; and also the complete opening up of prices for pigs, cattle, sheep, poultry, and eggs. As a result, it is estimated that during 1985, regarding both cattle and sheep, there would be increases in both the slaughter rate and also total meat production. Take the case of beef cattle, at the end of June in 1985, their total national inventory was 84,505,000 head, an increase of 5,004,000 head and 6.3 percent when compared with the same time in 1984. In the case of mutton, the total inventory was 176,443,000 head, a decrease of 6,543,000 head and 3.6 percent when compared with last year. This decrease in the case of mutton was due to several factors. One of these involved the readjustment of production structure when a few rural and mountainous areas decided not to keep some uneconomical small goats.

During the first half of 1985, the number of beef cattle that were removed from the national inventory was 1,703,000 beef cattle were slaughtered and their meat production reached 302,572,000 jin, an increase of 641,000 head and 115,538,000 jin, that is 60.4 and 61.8 percent, respectively, over last year. A total of 16,106,000 head of mutton were slaughtered and their meat production was 34,225,000 jin, increases of 2,807,000 head and 76,255,000 jin, respectively, or 21.1 and 28.6 percent.

From the estimate of the relevant department, total national beef cattle and mutton production in 1985 will reach 2,115,000,000 jin, an increase of 200 million or 9.2 percent over 1984. However, the per capita increase is 2.1 jin, still a low level. With the rise in income in both rural and urban areas, and the subsequent changes in the consumption structure, there would not be enough lean port to meet demand. In addition, with the opening up of the managing of beef cattle and mutton, the amount of meat that is available to the peoples that do not eat pork has thereby increased. However, Han Chinese would also want to procure beef and mutton. With this increase in total demand, the supply of beef and mutton at the market would therefore be fairly tight.

SILK INDUSTRY FLOURISHES, EXPORTS RISE

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 3 Jan 86 p 3

[Article by Zhong Si [6945 2448]: "Considerable Change in Silk Supply, Production, Sales During Sixth 5-Year Plan"]

[Text] It has been learned from the China Silk Company that during the Sixth 5-Year Plan there was all-round development in China's silk production, exports, and domestic sales, owing to the combined efforts of 10 million sericulture households, 500,000 silk production workers, and the silk enterprises everywhere. This is a contribution to the realization of the four modernizations.

More than 27 million dan of silkworm cocoons were purchased, a 43 percent increase over the amount purchased during the Fifth 5-Year Plan.

The value of total production exceeded 33 billion yuan and total industrial profits after tax were 5.1 billion yuan. These were increases of 84.7 percent and 92 percent, respectively, over the Fifth 5-Year Plan.

More than 140,000 tons of mulberry silk and 5 billion meters of silk fabrics were produced. These were increases of 32 percent and 73 percent, respectively, over the Fifth 5-Year Plan.

The total value of production in the silk industry and the total quantity of silk goods both have fulfilled the targets of the Sixth 5-Year Plan one year early.

During the Sixth 5-Year Plan, the export of silk goods to earn foreign exchange has increased 48.4 percent over the Fifth 5-Year Plan. Silks have increased 39 percent, silk cloths 31 percent, silk clothing 178 percent, and other finished goods 152 percent.

More than 3 billion meters of silks and satins have been sold domestically. This is almost a doubling of that sold during the Fifth 5-Year Plan.

During the Sixth 5-Year Plan, production, export, and domestic sales of silk goods all have advanced. Particular progress has been made in the reform of the system of management and in the improvement of industry technology.

During the Sixth 5-Year Plan, the amount invested by the Central Committee and by localities in the technical transformation of the silk industry and the amount of foreign exchange used to import equipment was more than quadruple that of the Fifth 5-Year Plan.

In tackling the key technical problems, the technique of low-temperature dying of real silk cloth is being extended to production. The rate of defects has been reduced and the brightness of the colors has been much improved. At present, the face of production in the primary silk producing places of Hangzhou and Suzhou has shown considerable change.

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S&T FACTORS IN FARM PRODUCTION ANALYZED

Beijing NONGMIN RIBAO in Chinese 23 Dec 85 pp 1, 2

[Article by the Chinese Academy of Agricultural Sciences: "An Analysis of Scientific and Technological Factors in Increasing Farm and Livestock Production During the Sixth 5-Year Plan"]

[Text] Advances in agricultural science and technology make it possible to produce more products than could previously be produced without those advances, no matter what combination of production factors originally existed (such as a certain labor force making use of a certain investment in land and material). Data from some developed nations reveals that at the beginning of the 20th century less than 20 percent of the increases in agricultural productivity were achieved by relying on the adoption of new science and technology, as opposed to 60 to 80 percent today. According to calculations made by the Academy's Institute of Agricultural Economics, between 1972 and 1980, 27 percent of the rise in the total value of agricultural output was realized through advances in agricultural science and technology, and between 1978 and 1983 the portion so attributed reached 35 percent.

According to statistical data in the Ministry of Agriculture, Animal Husbandry, and Fishery, most of the major product output targets stipulated in the Sixth 5-Year Plan for agriculture, animal husbandry, and fishery, as well as the target for total agricultural output value, were achieved 2 years ahead of schedule. It is projected that every target in the Sixth 5-Year Plan will be surpassed. Multifarious factors determine the rate of agricultural growth, but they may be summarized as follows: 1) policy, 2) climatic conditions, 3) material investment, and 4) scientific and technological advances.

During the Sixth 5-Year Plan we have comprehensively implemented the lines, principles, and policies laid down by the party since the 3d Plenum of the 11th CPC Central Committee. We have restructured the rural economic system, pursued all-out the output-related system of contracted responsibility, raised procurement prices for major farm produce, and massively mobilized the initiative of a vast number of peasants. In particular, we have extensively implemented various forms of production responsibility focused on the household contract system. This has tremendously envigorated the vast number of peasants, brought them a good social environment for production and operation, and kindled their enthusiasm to study and use science, thus

promoting the dissemination of agricultural science and technology. Without a doubt, implementation of the well-founded principles and policies of the CPC Central Committee has played a leading role in the overfulfillment of programs in the Sixth 5-Year Plan.

As far as climatic conditions were concerned, the period of the Sixth 5-Year Plan was fairly normal. In 1981 spring droughts and autumn waterlogging occurred in some areas and in 1985 there was drought in the south and waterlogging in the north. Although disaster conditions were quite severe in those 2 years, no major disaster year affected the entire country. Circumstances continued to be moderate overall, and we can say that, on the average, climatic conditions were advantageous for agricultural production in this 5-year period. During this time material investment also increased substantially. Aside from a slight decline in irrigated farmland area in 1984, there were increases to some extent in total farm machine horsepower, quantity of fertilizer applied, and rural electricity use. This period experienced the second greatest quantity of material investment since the founding of the People's Republic of China.

During the Sixth 5-Year Plan great progress was made in agricultural science and technology. According to incomplete statistics, between 1979 and 1985 some 1,072 different achievements were made in scientific research. Among these, 47 won National Invention Awards, 2 won National Natural Science Awards, 119 won National Scientific and Technological Advancement Awards, 171 won Departmental Scientific and Technological Advancement Awards, and 733 won Departmental Scientific and Technological Improvement Awards. This group of scientific achievements is not only on a fairly high technological level, it has also brought about significant economic results within production. Estimating based on the results of assorted calculations, agricultural science and technology during the Sixth 5-Year Plan played a 30-percent to 40-percent role in increasing agricultural output. At this point we will conduct a further analysis of the state of cultivation and livestock trades.

Cultivation trades: Based on previous work, during the period of the Sixth 5-Year Plan we bred further new varieties of agricultural crops and, for major crops, we carried out breed replacement on a broad scale. In the past few years we have bred successive new combinations of hybrid paddy that are not only high yielding and highly disease-resistant, but also high quality. We have continually expanded the growing area devoted to hybrid paddy: by 1983 hybrid paddy accounted for 21 percent of the paddy growing area and 28 percent of the gross rice yield. We have also made new progress with conventional paddy breeds: we have bred nearly 40 new high-yield, disease-resistant, high-quality breeds (or strains), each with its own special traits. As for wheat, nationwide a total of 80 new improved varieties have been selected through public appraisal, and their 1985 summer harvest area reached more than 50 million mu. In corn, we have accelerated dissemination of the original improved varieties; through seed selection we have produced a batch of high-yield, disease-resistant hybrids; and we have rapidly expanded the area under cultivation. For cotton, we have achieved a number of disease-resistant, high-yield varieties that have played a tremendous role in increasing cotton output. As for other crops, such as soybeans, peanuts, sweet potatoes, sugarcane, vegetables, and fruits, we have also achieved great success with

seed selection and the dissemination of improved breeds. In sum, improved breeds are the foundation of production for agricultural crops. Any material investment or technique to improve yield must be brought to bear through breed inheritance. In all respects, crop breeding is a major field of endeavor in scientific agricultural research; it holds a decisive position in improving farm yields.

There have continued to be large-scale volume increases in applications of chemical fertilizers during the Sixth 5-Year Plan. Though we cannot ignore the roles that revising the varieties of fertilizers used and improving application techniques have played in increased yields, without a doubt applying chemical fertilizers is now our most significant material investment. Three notable features characterize fertilizer application techniques during the Sixth 5-Year Plan: First, there is an emphasis on revising the composition of chemical fertilizers. According to statistics, the total volume of nitrogenous fertilizer applied increased 40.9 percent, phosphatic fertilizer increased 57.2 percent, and potash fertilizer increased 84.8 percent. The use of compound (or mixed) fertilizer rose 15-fold, there was some improvement in the irrational proportions of nitrogen, phosphorus, and potassium applied, and there were improvements in yield increases resulting from fertilization. Second, particular attention is paid to fertilizer application techniques. Many regions switched from broadcast (or surface) fertilizer application to base or deep fertilization, enormously improving fertilizer efficiency. According to investigative analysis, comparing the adoption of deep fertilization with ordinary broadcast application shows that the efficiency of carbon and ammonium fertilizers can be improved 20 to 30 percent, and that of urea can be raised nearly 100 percent. Third, there is integration of soil survey results. Some regions have put forward fertilizer application plans suited to the soils and types of crops in their own respective areas. In 1985 the results of large-scale intermediate trials conducted on more than 150,000 mu of black earth, meadow soil, reclaimed lake soil, and red earth were organized and grain crops showed 15 to 20 percent improvements in yields. In addition, in the past few years trace-element fertilizers have demonstrated their vital role. Locale after locale has discovered symptoms of deficiency in the elements zinc, manganese, boron, molybdenum, and so forth. Adopting supplementary applications of corresponding trace element fertilizers has achieved clear results. From a nationwide perspective, aside from a minority of cases in the suburbs of major cities, where high quantities of fertilizers have been applied but economic results have declined somewhat, fertilizer application levels are still low in most areas. Continued increases in the volume of fertilizer put into the soil and dissemination of assorted rational fertilizer application methods will continue to promote further increases in crop yields.

Revising crop distributions and improving cultivation techniques also play major roles. During the Sixth 5-Year Plan, localities everywhere launched extensive surveys of natural agricultural resources and studieds division of the land into agricultural districts. Revising crop distributions on this basis brought about significant changes in the composition of cultivation trades. Comparing 1984 with 1980, grain growing area declined 3.7 percent, dropping from 80.1 percent to 78.3 percent of the total sown area. Cash crops rose from 10.4 percent to 13.4 percent of the total sown area, for a net

increase of over 50 million mu. Moreover, some hilly and mountainous land unsuitable for grain cultivation reverted to forestry and grazing, and cash crops were progressively rerouted to regions more suitable for cultivation. Many areas summarized their experiences in revised tillage systems, and, on that basis, attention was devoted to cultivation systems that both use and maintain the land, an assortment of crop distribution and crop rotation patterns was proposed, and land utilization ratios and economic results were improved. As for cultivation techniques, widespread importance has been attached to studies and dissemination of simple, labor-saving, energy-saving cultivation techniques. Our use of plastic film groundcover is one instance in which we have been successful at digesting and absorbing an advanced foreign technique.

The use of this technique on grain, cotton, oil-bearing crops, and various other crops has achieved extensive, remarkable results. According to a large-scale comparison conducted across 2.69 million mu of cotton fields in 37 counties, yields of ginned cotton increased an average of 40 jin per mu and net income rose 50 yuan. The use of mulched paddy fields for breeding can improve the proportion of seeds that become seedlings 10 to 36 percent, raise paddy yield 20 to 50 jin per mu, and lower breeding costs from 80 yuan to 40 yuan per mu. Covering beets can improve the yield of root tubers 10 to 50 percent, hasten maturation by 5 to 20 days, and increase per-mu output value by 30 to 40 percent. Covering vegetables moves ripening up 5 to 20 days and can improve per-mu output value by 30 to 40 percent. In 1984 this technique had been disseminated over more than 20 million mu nationwide, up more than 100 percent over the previous year. As for tillage to improve the soil, since 1982 the Huang He-Huai He-Hai He saline-alkaline region has adopted levelling, irrigation, drainage, and fertilization measures, and has united to control drought, waterlogging, alkalinity, and infertility--with excellent results. In the southern hill and mountain region of red and yellow earth, a summary of successful experience with comprehensive control shows that there are now approximately 100 million-plus mu on which the initial transformation has been made. Improving tillage and cultivation techniques is the most direct and effective means of raising yields, but the overall organization and configuration must be based on particular local characteristics. In addition, strict mastery of the technique's rules of operation must be exercised, and this is frequently difficult to put into practice. Consequently, after each technique for increasing output is applied to large-scale production, the results must be substantially discounted. If the overall setup is suitable the proportion of yield increase can be further improved.

Crop protection work has been an outstanding success during the Sixth 5-Year Plan. In the past few years the most notable feature has been the enhancement of comprehensive blight and pest control techniques. The major components of crop protection work have been to select and use resistant breeds, broaden blight and pest control targets, and supplement these measures with coordinated chemical and biological control techniques to achieve damage control and high output. As for pesticide application techniques, in the past few years we have been studying and promoting spray insufflation methods to replace conventional spray atomization methods. This can reduce the quantity of pesticide used by more than 50 percent. If we can apply this method extensively in paddy, wheat, and cotton production zones, we will be able both

to reduce the annual cost of pesticides by over 500 million yuan and to help improve the quality of the agricultural environment. Based on estimates by Chinese specialists, crop losses in China due to blight and pest damages are enormous: they take 10 percent off the gross grain yield, 20 percent off the gross cotton yield, and 40 percent off the gross fruit yield--amounting to approximately 25 percent altogether. Under present circumstances, dissemination of all kinds of blight and pest control methods may restore about 10 to 20 percent of the output losses.

As for animal husbandry, due to the increase in the proportion of fodder grain that occurred after the large-scale rise in grain yield, and due also to the relaxation of pricing on livestock products, the following changes have come about: a longstanding state of stagnation in the pig-raising industry has been transformed, there has been rather rapid expansion of dairy cattle and improved oxen, poultry has developed swiftly, successive declines in the sheep industry for the past several years have begun to reverse in some areas, and an impetus for tremendous growth has appeared in the livestock industry. Analyzed from a scientific and technical perspective, the following progress has been made:

During the Sixth 5-Year Plan we have enhanced improvements in livestock breeds. Major progress has been achieved on key projects to breed lean pork. On 7 experimental bases nationwide, in the past 2 years we have completed intermediate trials on all 3,738 head in the complement of cross-combined lean porkers, achieving two key targets: a weight of 90 kg at 6 months of age and a lean-meat ratio of 56 percent. In order to meet the consumer demand for table chickens, we have now separately selected and bred fast-growing, high-quality cross combinations. Over 90,000 breeding chickens have been supplied for use in the entire complement. Selection work has been completed on the strain complement of red-egg chickens that are so favored by consumers. Gratifying progress has been made in work to improve dairy cattle. In 1983 fine breeds of dairy cattle and improved cattle numbered 951,000 head, an increase of 71 percent over 1979, and the volume of milk output reached 3.69 billion jin, up 72 percent over 1979. We have achieved clear results with breeding fine breeds of fine-wool sheep: as of 1984 34,816 head had been bred to meet standards. Special grades of adult ewes produce wool measuring 9.9 to 10.3 cm in length and 4.1 to 4.6 kg in net volume, and some of their properties already surpass the standards set by imported Australian Merino sheep. We have also made great progress in breeding the Hu sheep that are peculiar to China, and this has contributed to foreign exchange earnings from exports.

We have also achieved fairly good progress on all key problems in technical fodder development projects. We have now drawn up a "Nutritive Composition Value Chart for Domestic Fodder"; proposed fast, accurate standards and methods of determining the metabolic energy value of pig and chicken feed; and completed studies to determine the trace values and constant quantities of minerals, as well as the selenium content, in the more than 1,000 varieties of primary fodder herbage produced in different regions throughout the country. The results of these studies have provided a scientific foundation for formulating national livestock and poultry husbandry standards, developing fodder monitoring, and expanding the fodder industry. The adoption of

scientific feed formulas can produce excellent economic results even under the same husbandry conditions. In the past China did not employ feed formulas; one weaned piglet required a year to be fattened to 65 kg, and the slaughter rate on big porkers was only about 60 percent of the total number reared. For a long time the ratio of meat to feed was 1:5 in the pig-raising industry and the ratio of eggs to feed was 1:4 in the poultry industry. There was a wide disparity between these figures and the level in advanced nations worldwide. Now we have laid an excellent foundation for expanding the fodder industry and employing scientific feeds.

In addition, there has also been a series of scientific achievements in the following areas: veterinary medical research, grassland improvement, exploitation of protein feed sources, improvements in management techniques for rearing livestock and poultry, manufacturing of biological medicines and chemical reagents, and improvements in clinical techniques. These achievements are applied in production and play a major role in realizing high, stable output, safety, and low waste in the livestock industry.

"The CPC Central Committee Proposal on the Formulation of a Seventh 5-Year Plan for National Economic and Social Development" points out that "We must fully realize the decisive role that scientific and technological modernization plays in the four modernizations. To carry out further economic construction we must rely on scientific and technical progress and direct scientific and technical endeavors toward the policies of economic construction. We must assign a true strategic status to the promotion of scientific and technical progress--a fundamental mission of overall importance."

Scientific agricultural research work is a lengthy undertaking, environmental factors are varied, and there are great differences in experimental results between different areas and different years. Thus, many scientific research projects cannot be concluded overnight. Most of the scientific and technical advances and prizewinning achievements attained during the Sixth 5-Year Plan embody a foundation built up through many years of past research. Consequently, during the Seventh 5-Year Plan agricultural science and technology must pay close attention to research done previously, and we must enhance exploration of basic tasks and patterns. And, in the interest of long-term development, we must do a good job on essential scientific and technical reserves. Only in this way can we ensure that scientific research work advances ahead of production. Agricultural science research units must act resolutely in the spirit of the "CPC Central Committee Resolution on Reform in the Scientific and Technological System" and give priority to reform. They must further correct their business-oriented guiding ideology and draw up an in-depth plan for work in agricultural science and technology. As they enhance developmental research they must also attach great importance to applied research and applied basic research, as well as to macroeconomic strategy, economic administration, intelligence information, and other soft scientific research. In addition, they must do a good job of organizing foundation work and public welfare work. As for facility development, they must plan comprehensively, establish a prominent emphasis, enhance the construction of a scientific and technical contingent, improve quality, and work hard to cultivate field leaders and assorted proffessionally skilled

people. They must augment macroeconomic management, coordinate internal forces, put the political and research relationship in order, and maintain close horizontal ties. They must enhance cooperation among scientific research, education, and extension work; open up communication channels between higher and lower levels; spur scientific research work to be more oriented toward economic construction; and contribute more to the accomplishment of the Seventh 5-Year Plan, the enrichment of agricultural science, and the achievement of a quadrupling in gross output value by the end of this century.

12510
CSO: 4007/229

BRIEFS

FREE MARKETS THRIVE--Statistics show that free markets in China are becoming more important as retail outlets for pork, eggs and vegetables. The urban and rural free markets in China now number 61,000 -- some 4,800 more than in 1984, and the volume of business has increased 38 percent over 1984. [Text] [Beijing XINHUA in English 1845 GMT 31 Mar 86 OW]

/12929
CSO: 4020/259

BRIEFS

ANHUI OIL-BEARING CROPS--Hefei, 25 Mar (XINHUA)--Anhui Province will invest 10 million yuan to boost market-oriented production of quality oil-bearing crops in the next 5 years, a provincial agricultural official said here today. Areas for rape containing a lower percentage of erucic acid, and white sesame will be expanded to 60,000 hectares by 1990, double the 1985 figure, and the output will double to 85,000 tons. Anhui is one of China's main oil-bearing crop producers, of which the output of rape and sesame rank among the highest in the country. [Text] [Beijing XINHUA in English 1155 GMT 25 Mar 86 OW] /9274

CSO: 4020/254

BEIJING

COMMUNIQUE DISCUSSES 1985 ECONOMIC, SOCIAL DEVELOPMENT

SK210035 Beijing BEIJING RIBAO in Chinese 10 Mar 86 p 2

["Statistical communique" on Beijing Municipality's 1985 national economic and social development issued by the Beijing Municipal Statistical Bureau--date not given]

[Excerpt] In 1985 the people throughout the municipality, under the leadership of the Beijing Municipal CPC Committee and Government, strived to reform the economic structure and open to the outside world successfully, continued to implement the four instructions of the Secretariat of the CPC Central Committee on the policies concerning the construction of the capital, carried out the guidelines of the written reply of the CPC Central Committee and the State Council to the "Program of the Overall Planning for Beijing's Urban Construction," enabled the national economy to develop in a sustained, stable, and coordinated manner, achieved great results in both the socialist spiritual and material civilizations, and successfully fulfilled the 1985 plans. Major targets for the national economic and social development as set forth in the Sixth 5-Year Plan were overfulfilled, with many of them being prefulfilled in 1984. According to initial statistics, total social product of the year was 45.5 billion yuan, up 10.5 percent from the previous year; total industrial and agricultural output value 34.8 billion yuan, up 11.4 percent; national income 18.1 billion yuan, up 10.4 percent; and the gross value of domestic production 24.6 billion yuan, up 12 percent. Markets were brisk, and the income of urban and rural residents increased on the basis of continued development of production.

1. Agriculture and the Rural Economy

The suburban areas conscientiously carried out the second step of the rural reform, readjusted the rural production setup while not slackening grain production, developed the rural cooperative economy, and gradually moved to the track of undertaking farming, forestry, animal husbandry, fisheries and sideline production and developing industry, commerce, building trade, transportation, and service trade in an all-round manner. Fourteen suburban countries doubled their gross industrial and agricultural output value in 5 years. Total rural product of the year was 8.38 billion yuan, an increase

of 26.7 percent over the previous year. The proportion of nonagricultural production, including rural industry, building trade, commerce, and transportation, rose from 66.5 percent of the previous year to 69.6 percent. The total agricultural output value was 4.07 billion yuan, up 19.7 percent from the previous year. Deducting the output value created by the industrial enterprises run by villages (brigades), it was 1.98 billion yuan, an increase of 7.1 percent. In the total output value of agriculture, that of animal husbandry and fisheries showed a slight increase, from 33.4 percent in the previous year to 33.9 percent.

Despite the decrease in grain growing areas by 12,000 hectares, grain output again reached an all-time high, totaling 2.197 million tons, 23,000 tons more than in the previous year.

The output of nonstaple foods, including fresh eggs, milk, and fresh-water fishes, showed a substantial increase over the previous year. Vegetable output declined from the previous year.

Output of major nonstaple foods is listed as follows:

	1985 Actual Output	1985 Versus 1984 Percentage
Fresh eggs	141,000 tons	115.3
Milk	135,000 tons	107.2
Aquatic products (including fish, shrimp)	16,000 tons	158.0
Pork, beef, mutton	135,000 tons	101.3
Vegetables	2.4 million tons	93.6
Watermelons	253,000 tons	127.2

In the whole year 29,700 hectares of areas were afforested, and 19.99 million trees were planted along roads and rivers, and around houses and villages. Both afforestation and tree planting plans were overfulfilled, and new progress was achieved in the 13 key afforested areas attended to by the municipality, and districts and counties.

Township enterprises continued to develop by a fairly large margin. The number of the enterprises reached 16,000 by the year end, and their employees 750,000. Their annual gross income was 5.1 billion yuan, and profits 950 million yuan, increasing by 36 and 33 percent, respectively, over the previous year.

In the rural commodity production, monopolized purchase and guaranteed marketing which had been carried out for many years were changed into market regulations under plan guidance. Peasants entered the circulation channels, and promoted the reform of the circulation system. By the end of the year rural production units has established direct production-marketing links with more than 1,800 urban consumption units and retail outlets, providing them with nonstaple foods worth 230 million yuan. Eight vegetable wholesale markets and 59 vegetable distribution centers were established on the outskirts. Transactions of urban and rural fairs totaled 340 million yuan, 1.3 times over the previous year.

/8309
CSO: 4007/339

PROSPERITY REPORTED FOLLOWING RURAL READJUSTMENT

Beijing NONGMIN RIBAO in Chinese 4 Jan 86 p 1

[Article by Zhang Shaoguang [1728 4801 0342] and Wu Xiulong [0702 4423 7893]: "By Both Bringing Local Advantages Into Play and Enhancing Macroeconomic Guidance, the Readjustment of Rural Industrial Composition Has Brought Prosperity to Every Line of Business"]

[Text] During the Sixth 5-Year Plan, in readjusting rural industrial composition Guangdong has taken care to enhance macroeconomic management and guidance and bring local resource advantages fully into play. The composition of agricultural production is becoming more rational, the commodity economy is increasingly active, and the standard of living among farmers has improved notably. In 1985, except for a decline in grain yield due to severe natural disasters and significant reductions in growing area, other staple farm and sideline products achieved bumper harvests. Compared with 1978, grain increased more than 6.7 billion jin during the 5-year period, a rise of 20.7 percent. In 1985 the gross output of sugarcane reached 18.47 million tons, a 30 percent increase over the previous pressing season, and fruit production rose 22 percent. There were varying degrees of increase over 1984 in the output of peanuts, tea leaves, roundpod jute, ambari hemp, and yellow and red tobaccos, as well as in the quantity of swine, cattle, sheep, and rabbits reared, on hand, slaughtered, and incorporated in products.

After 5 years of effort, the composition of agricultural production in Guangdong is becoming rational. As for cultivation trades, in 1984 the output value of grain crops was nearly 5.7 billion yuan, an increase of almost 800 million yuan, or 16.2 percent, over 1978. However, grain crops declined from 76.2 percent to 67 percent of the output value in cultivation trades, whereas the cash-crop output value simultaneously rose 84 percent, increasing from 23.8 percent to 33 percent of the output value in cultivation trades. Within the industrial composition comprised of farming, forestry, animal husbandry, sidelines, and fishery, farming produced an output value of 8.5 billion yuan, up 32.3 percent over 1978. However, as a proportion of gross agricultural output value, farming dropped from 61.5 percent to 50.4 percent. On the other hand, the output value from forestry, animal husbandry, sidelines, and fishery simultaneously rose 108.4 percent, from 4,015,000,000 yuan to 8,367,000,000 yuan, and increased from 38.5 percent to 49.6 percent of gross agricultural output value.

In the process of readjusting rural industrial composition, there are vigorous efforts everywhere to popularize wet field-dry field crop rotation systems, such as peanuts and paddy, sugarcane and paddy, and soybeans and paddy; and to expand the area of sound agricultural ecology, such as rotating fish raising with paddy cultivation, or including fishponds on bases of sugarcane, mulberry, or fruit cultivation. Because of this, agriculture all over the province is gradually developing toward organic integration of farming, forestry, and animal husbandry.

12510
CSO: 4007/230

JPRS-CAC-86-014
18 April 1986

BRIEFS

HAINAN RECLAMATION EXPORTS--Reclamation departments on Hainan Island have vigorously developed agricultural products for export to earn foreign exchange. The export volume of all reclamation departments for 1985 amounted to some 10.3 million yuan, an increase of 59 percent over 1984. [Summary] [Haikou Hainan Island Service in Mandarin 0400 GMT 18 Mar 86 HK] /8309

CSO: 4007/339

REDUCING PEASANTS' BURDEN DISCUSSED

Shijiazhuang HEBEI RIBAO in Chinese 10 Oct 85 p 1

[Article: "Resolutely Reduce the Irrational Burden on the Peasants"]

[Text] The peasants' burden is excessively heavy, which impacts on the relations between the cadres and the masses and damages the peasants' enthusiasm toward production. The leadership at all levels must take this seriously and adopt effective measures to reduce the irrational burden on the peasants.

The Party Central Committee and the State Council have stressed again and again the issue of lightening the peasants' burden. The provincial government also last year issued its "Trial Provisions on Lightening the Peasants' Burden." However, the reality of the situation this year is that not only has the peasants' burden not been lessened in many localities, but has continued to increase instead. According to statistics of the concerned provincial departments gathered through surveys in a portion of the localities, cities and counties, this year the per capita burden amounted to approximately 30 yuan, and even more in some areas. A look at a number of localities shows there are three major reasons for the current excessive peasant burden. One reason is that the degree to which the peasants have become prosperous has been overestimated and therefore they have without scruple and in a chaotic manner been asked to contribute. Another reason is that there are too many conflicting regulations issued by various departments and each does what he thinks is right. Some departments and units, when they perceive a problem, handle it in their own way without thinking in terms of the overall situation. Thinking only of their own needs, they do not consider the interests of the peasants' they flood the peasants with requests for help and collect money from them wherever they can. Furthermore, there is presently an imperfect control mechanism when it comes to the peasants' burden, with the result that duties are assigned and fees collected arbitrarily. The third reason is that ideological and political work in the rural areas has been weak. Some grass roots level cadres have relaxed the ideological education of the masses and employ "economic measures" in all their work; as a result a wide variety of additional expenses has appeared. Some cadres even use this approach to obtain petty advantages at the expense of the peasants.

Lightening the peasants' burden not only would help to enliven the rural economy, but would affect the party's prestige and the state's ability to maintain public order in the long run as well. Each locality firmly implement the set norms proposed by the Central Committee and the province, keep expenditures within the limits of income and set up a system of budgeting, final accounting and financial supervision. At the present time we must conduct a widespread investigation of the situation regarding the peasants' burden, and check up on all existing apportioning and collection of fees, item by item; we must without fail get rid of those which should not be born by the peasants, and reduce the portion that is excessive on those which they should bear.

12513/12624
CSO: 4007/64

LAND MANAGEMENT PROGRAM BEGINS; TASKS ASSIGNED

Shijiazhuang HEBEI RIBAO in Chinese 10 Oct 85 p 2

[Article: "Hebei Province Land Program Work About To Begin"]

[Text] The provincial planning committee recently held a provincewide land planning work conference in accordance with the requirements of the State Council and the specific plans of the State Planning Commission. At the conference the provincial vice governor, Ye Liansong [0673 6547 2646], relayed the instructions of the Central Committee and the State Council with respect to launching a land program, and pointed out what the program must consist of, and the attendant obligations, guiding thought and requirements.

Opening up and managing land as a means to gradually resolve in a proper and rational manner the contradictions in economic development between population, resources and environment is an objective requirement for expanding social productivity and is an important basis for maintaining continued, steady, coordinated development of the national economy.

The land program mainly centers around the strategic target of quadrupling the gross value of output from industry and agriculture by the end of this century, and there are four specific tasks: one task is to determine the scope of developing the major natural resources and the direction of economic expansion in Hebei based on given resource, population and environmental factors and the requirements for developing the national economy; another task is to take the whole situation into account in planning the construction of important basic installations dealing with water and energy sources as well as transportation and communication facilities; a third task is to successfully effect a provincewide rational distribution of population, production, and cities and towns, based on taking full advantage of available strengths; a fourth task is to propose a tentative plan for the province for comprehensive management of the ecology and environment (including recovery necessitated by natural disasters).

The provincewide land program makes 1984 the base year, 1990 the near-term target and 2000 the long-term target. Tasks which can be achieved in the short term will be incorporated in the Seventh 5-Year and Eighth 5-Year Plans. The deadline for certain important management asks, such as dredging

relatively large rivers and controlling soil erosion, could be set at about the year 2010. All land program work must undergo four phases: the materials collecting and resource review stage; the special topic research, demonstration and draft planning stage; the centralized coordination and comprehensive demonstration stage; the appraisal, acceptance and revised final draft stage. Roughly a year will be required to basically complete the task of drawing up a provincewide land program and it will be implemented after it is formally submitted to the provincial government and examined and approved by the State Planning Commission.

12513/12624
CSO: 4007/64

ATTENTION TO VEGETABLE PRODUCTION URGED

Shijiazhuang HEBEI RIBAO in Chinese 9 Oct 85 p 1

[Article: "Pay Close Attention to Vegetable Production To Ensure Market Supply"]

[Text] Leading comrades at all levels must pay close attention to vegetable production at the present time. Not only must they adequately resolve the issue of the quantity of vegetables to be produced, they must decide on the varieties as well; in particular, more of the edible vegetables popular with the masses must be produced to satisfy the daily needs of the people in the cities and countryside.

In the process of readjusting the structure of the planting industry in the rural areas of Hebei province this year, there was an increase in vegetable acreage in many localities compared to previous years as well as an increase in the amount and quality of vegetables produced. But there also were some areas, especially the suburbs of some cities, where there was a crop in area planted to vegetables. A number of provinces and cities adjacent to Hebei purchased large quantities of vegetables from us this year because their vegetable production suffered from drought and waterlogging. As a result, there were severe shortages of vegetable supplies in some areas of Hebei.

Vegetables are a major issue affecting the livelihood of the masses. If this issue is not handled satisfactorily, it will directly affect the work and production morale of the people and impact on social stability and unity; as such, it is both an economic and an extremely serious political issue. Party committees and the government at all levels, and important leading comrades especially, must devote a great amount of attention to this and, based on adequate investigation and research, they must adopt forceful measures, enhance leadership with respect to vegetable production, conscientiously and adequately carry out production and marketing work in the urban and rural areas and satisfy the daily needs of the people.

In order to resolve this issue in a satisfactory manner, all localities, on the one hand, must strengthen field management of existing fall vegetables to guarantee fine quality and high yields; on the other hand, they must mobilize the masses and organize them to plant a greater amount of early

maturing edible vegetables which are in demand. At the same time, they must mobilize farm households, organizations, factories, mines and schools which have the means, to grow vegetables on their grounds. Baoding, Langfang and Cangzhou prefectures must fully utilize geothermal heat and the heat from oil pipelines to expand vegetable production. The suburbs of the large and mid-sized cities must give priority in agricultural production to growing vegetables, establish themselves as vegetable production bases for the cities and serve the daily needs of the city residents.

At the same time as emphasizing vegetable production, all areas, especially the cities, also must do an adequate job of transporting, storing and marketing vegetables. Since there has been a reduction this year in vegetable farm acreage in the inner suburbs of the cities in Hebei and an expansion of such acreage in the outer suburbs, the vegetable management departments in the cities and towns must sign fixed-quota purchase contracts with the peasants and organize transport personnel at an earlier time than planned. At the same time, they also must tap new sources and satisfactorily carry on processing of non-staple foods, principally the processing of bean products, to supply the residents of the cities and towns.

The broad masses of cadres and peasants must fully realize that vegetables have become high-priced commodities with the greatest demand in the markets within and outside the province. Successfully engaging in vegetable production is an important way to take full advantage of the strengths of the province and to accelerate the pace of making the peasants prosperous. For this reason, not only must we, by every means possible, produce and sell more this year, we must promptly complete preparations for expanding vegetable production next year as well to bring about a notable improvement in the production and marketing of vegetables during that timeframe.

12513/12624
CSO: 4007/64

FULFILLMENT OF STATE GRAIN PROCUREMENT CONTRACTS URGED

Shijiazhuang HEBEI RIBAO in Chinese 9 Oct 85 p 2

[Article by Hebei Provincial Grain Bureau: "Conscientiously Fulfill Fixed-Quota Purchase Contracts for Grain"]

[Text] It is now the season for harvesting and planting fall wheat and in order to mobilize the broad masses of peasants to pay close attention to grain and expand wheat production, we introduce at the present time the relevant policies regarding fixed-quota grain purchase contracts as follows:

1. Why must we implement fixed-quota grain purchase contracts?

Carrying on the system of centralized and assigned procurement of agricultural products over a long period of time played a positive role in guaranteeing supplies and sustaining national construction, but with the expansion of production the drawbacks of the system became more and more evident. Because of limited channels of circulation, the peasants in a number of areas experienced "grain-selling difficulties" and the state experienced "grain-storage difficulties"; the quantity of grain products increased while product quality remained low and ill-suited to the requirements of social consumption; the distribution of agricultural production and the industrial structure were irrational, the strengths of a portion of the districts were not brought fully into play and they remain in relatively straitened circumstances, which impacts on the improvement and coordinated expansion of all economic and social benefits to the rural areas. An important reason for the appearance of these problems of disharmony and imbalance lies in the drawbacks of the agricultural product centralized and assigned procurement management system. As such, after breaking down the practice of "eating from the same large pot" in the collective economy of the rural areas, we must further restructure the agricultural product centralized and assigned procurement system and, guided by the national plan, expand commodity circulation and market regulation and promote readjustment of the rural industrial structure and the distribution of agriculture. The Central government has decided that beginning this year we will abolish centralized procurement of grain and implement fixed-quota purchase by contract in its place; this is a major reform of the grain marketing system and an important measure to further enliven the rural economy.

2. Some comrades believe that purchase contracts can be freely negotiated; one may or may not enter into a contract as he sees fit, and if he does, it may be for whatever amount he desires. Is this a correct understanding?

Comrade Chen Yun recently pointed out: "Planning encompasses directive-style planning and guidance-style planning. The methods of the two types of planning are different, but both require applying in a planned manner various economic regulatory measures. Guidance-style planning is not the same as market regulation. In regulation through the market, not only is there no planning and production is undertaken in accordance with changes in market supply and demand, but it is unchecked regulation as well." The grain purchase contracts serve as the state grain purchasing and selling plan, and they cannot be entered into or not at will, or fulfilled or not as one wishes. Purchase contracts must be implemented after repeated consultations from top to bottom and not assigned from above in an inflexible manner; it is a question of the method of implementation. The purchasing and selling plan plays a guiding role with regard to production; this guiding role is manifested in setting purchase quotas before production, and in fixing purchase requirements in terms of varieties, quantity, quality and pricing policy; the guiding role is manifested as well beyond the set purchase quota, where it points up the direction for multi-channeled circulation of even greater quantities of surplus grain and opens up vast prospects for readjusting the industrial structure and the distribution of agriculture.

3. Is purchasing by contract an administrative or an economic measure?

Setting purchase quotas is state planning, and contracts are an economic measure. Implementing purchasing by contract requires consultation in accordance with state planning. A resolution of the 3d Plenum of the 12th CPC Central Committee points out: "Implementing a planned economy, and applying the law of value and developing a commodity economy are not mutually exclusive, but are integrated instead; it is wrong to view them as antithetical." We should not think of purchase planning as conflicting with contracting and we should not draw a hard and fast line between administrative measures and economic measures; rather, "we must have planned guidance and regulatory and administrative control--this can be achieved under socialism." A lot of work is required to approach the myriad households and sign purchase contracts, and it cannot be done satisfactorily if we depart from necessary administrative controls. As such, purchasing by contract is a relatively fine way of integrating planned control with economic, legal and administrative measures, and integrating state planning with the peasants' right to act on their own initiative.

4. How do we deal with the relationship between contract purchasing and readjusting the industrial structure and the distribution of agriculture?

Purchasing by contract will aid the rational readjustment of the rural industrial structure and the distribution of agriculture, and will help to enliven the rural economy. In carrying out contract purchase work, we must

suit measures to local conditions and classify guidance in accordance with the state plan and the agricultural distribution program. In line with centralizing in the program of agricultural distribution, we must provide protection to the grain-producing regions and grain-producing specialized households, and fulfill their grain-selling requirements; we must provide support and appropriately reduce purchase quotas for districts which are not suited to growing grain and which are withdrawn from cultivation in accordance with the distribution program and returned to forestry, animal husbandry and fishery; we must take care of improverished districts and impoverished households and in a planned manner exempt them from procurement; we must educate those who disregard the state plan and blindly abandon grain in favor of producing something else, so they understand the strategic value of this commodity and that the social and economic benefits that derive from it cannot be replaced by any other commodity, and so they understand the argument that "without grain there will be chaos." We must implement in an all-round manner the policy of "not slacking off on grain production under any circumstances, and actively launching economic diversification," in a rational manner take advantage of the strengths of a locality, protect the enthusiasm of the grain growers, expand commodity production and make things easier for the cash crop districts and impoverished regions, and promote overall development of the rural economy.

5. What are the provisions of contract purchasing in terms of varieties and prices?

Hebei Province only contracts for the purchase of wheat, rice and corn. The price for purchases of wheat under such contracts is based on an "inverted 2.5 to 7.5" ratio, and the average price provincewide for medium grade hua [5363] wheat is 0.2379 yuan per jin (the price for white wheat is higher than for hua wheat); the price of medium grade rice is based on an "inverted 2 to 8" ratio and sells for 0.322 yuan per jin; the price of medium grade corn is based on an "inverted 3.7 to 6.3" ratio, and sells for 0.1604 yuan per jin. A policy of regional price differences and negotiated prices in accordance with quality will be implemented based on provincewide average prices. Surpluses of the three varieties of grain in excess of purchase quotas may be circulated through multiple channels, and bought and sold without restrictions. Based on needs, the state also can make purchases at slightly less than proportional prices or negotiate purchases and sales following the spot market. When the prices at a particular market are lower than the former state centralized procurement prices, the state will purchase an unlimited amount at the former centralized procurement price (guaranteed price). With respect to state supply requirements for minor varieties such as soybeans, upon approval purchases will be appropriately arranged within the corn purchase index.

6. How are the grain payments handled?

For grain under purchase contract, the state grain departments without exception will pay households as they deliver the grain. Except for the agricultural tax, grain departments will deduct no other sum of money, nor

are they allowed any longer to render payment to the village for what a household delivers. No department or unit may arbitrarily order the grain departments to deduct any sum of money, otherwise the leaders and grain department in that locality will be investigated and responsibility affixed.

7. What incentive awards are available for grain under purchase contract?

For wheat and rice under purchase contract, 10 jin of standard chemical fertilizer will be warded per 10,000 jin sold to the state; certificates will be issued by the grain departments and redeemed by the supply and marketing departments.

8. Can other means be employed to offset or replace grain under purchase contract?

The grain under purchase contract without exception must be current grain; one cannot substitute cotton for grain or use grain which the state sells to the peasants, such as grain to be used in support of industrial readjustment or disaster relief grain, to offset contract grain obligations.

9. How are purchase contracts entered into?

After consultations have been conducted in accordance with the purchase plan, the purchasing units sign purchase contracts with the peasants. The contracts may be concluded with the village, which in turn consults with and signs up the various households; the purchasing units also may sign contracts directly with the peasant households. Generally, the provisions of a contract should make clear the variety, quantity, quality, price, delivery point, deadline and method of payment for the contracted grain as well as the extent of the obligations of both parties and their responsibilities if the contract is broken. In order to protect the legitimate rights and interests of the interested parties, the local village or small town government will in general supervise and certify the fixed-quota purchase contracts.

10. After the contract is signed, what will happen if for various reasons one is not able to honor the commitment?

Once a grain purchase contract is signed, it has legal standing. Except for unavoidable natural disasters, one must ensure his commitments are met. In the case where, due to natural disaster or other reasons, a change or termination of a contract is required, the consent of both parties is needed and it must be checked and approved by higher level responsible departments and the supervising and certifying units after investigation of the circumstances. The interested parties on both sides must rigorously fulfill the various provisions of the contract and must not make unauthorized changes. The grain purchasing units must make things as convenient as possible for the masses selling grain in order to help them satisfactorily fulfill the contract obligations.

12513/12624
CSO: 4007/64

BRIEFS

SOYBEAN EXPORTS--Heilongjiang Province in northeast China exported 61,766 tons of soybean in the first month of this year, more than the same month of any previous year. The province furnishes 30 percent of China's soybean output and 80 percent of the export total. [Excerpt] [Beijing XINHUA in English 1256 GMT 25 Mar 86 OW] /9274

CSO: 4020/254

RAPID GROWTH REPORTED IN RURAL ECONOMY

Beijing NONGMIN RIBAO in Chinese 24 Dec 85 p 1

[Article by Du Guanwei [2629 0386 7279] and Li Haitao [2621 3189 3447]: "There Was Rapid Growth in Henan's Rural Economy in 1985: We Persisted in Implementing Reforms, Readjusted Industrial Composition, and Experienced Overall Coordinated Development"]

[Text] In 1985 Henan persisted in implementing reforms and there was overall rural economic development in readjusting industrial composition.

Based on preliminary statistics in the departments concerned, the gross value of agricultural output for the entire province will rise more than 7.9 percent in 1985 over 1984. Rural tax revenues and farmers' real incomes will increase correspondingly. In Henan, despite fairly severe natural disasters, and although gross grain yield has declined since 1984 and the growing area devoted to cotton, the major cash crop, has been reduced by 5 million mu--a one-third reduction since 1984--nevertheless, gross income in the rural economy has increased by a rather large margin. This is primarily because the party committee and the government, as well as the vast number of farmers, have persisted in implementing reforms, actively and safely readjusted rural industrial composition, broken free of the undiversified economic pattern, and relied on comprehensive, coordinated growth in every trade to make up for losses due to natural disasters.

In readjusting rural industrial composition, all over Henan we have taken great care to bring the two factors of natural resource advantages and market needs fully into play. In cultivation trades, after the cotton growing area was greatly reduced we expanded cultivation of crops such as peanuts, melons, vegetables, roundpod jute, and ambari hemp, as appropriate, so that the area devoted to cash crops did not decline. We actively drew upon superior grain crops and eliminated inferior ones, improved breeds and quality, expanded wheat cultivation, converted some of the assorted autumn grain crops to paddy and dry rice cultivation, and increased the corn growing area required for developing animal husbandry and exports. Many localities vigorously expanded intensive cultivation and worked hard to improve the results per unit of field area. Grain-producing regions made major efforts at grain conversion and used surplus grain to vigorously develop aquatic breeding industries. Provincewide, large livestock increased by more than 500,000 head in 1985, and there are now 8.5 million head on hand, exceeding all previous levels. The number of swine has also increased by over 2 million head. For the first time the value of output in the livestock industry has surpassed 2.5 billion yuan. The output value and results from township enterprises throughout Henan have also improved significantly in 1985.

LIU ZHENGWEI SPEAKS AT SPECIALIZED HOUSEHOLDS FORUM

HK270835 Zhenhou Henan Provincial Service in Mandarin 1030 GMT 20 Mar 86

[Text] At the provincial forum of peasant enterpreneurs and specialized households, Provincial CPC Committee Deputy Secretary Liu Zhengwei demanded that CPC Committees and governments at all levels and political, legal, tax, and economic management departments throughout the province, wholeheartedly support and protect the development of specialized households. At the same time, he hoped that specialized households would believe that the party's policy on enriching the people will not change and would straighten their backs, set their minds at rest, and be bold in working hard to get rich.

This forum was held jointly by seven units, including the Provincial Rural Economic Work Committee. Some 30 peasant enterpreneurs and specialized households, including (Tang Jianguo), (Guo Ming), (Jiang Maian), (Gao Linghua), and (Zhou Suiji), attended the forum by invitation.

In the light of salient problems existing in current rural work, Comrade Liu Zhengwei stated three views. He said: All kinds of specialized households take the lead in rural economic construction and cause peasants universally to get rich. CPC committees and governments at all levels, and political, legal, tax, industrial, commercial, and other economic management departments must support and protect specialized households.

Comrade Liu Zhengwei hoped that specialized households would act as examples in implementing the party's policies, continue to observe state law, vigorously support the activities of cracking down on economic crimes and the large-scale inspection of fiances and taxes; and with the practical actions of working hard to get rich, disseminate the party's policy on enriching the people. He hoped they would help the masses around them completely understand the dialectical relationship between being unable to be stable without agriculture, being unable to be rich without industry, and being unable to invigorate the economy without commerce and also the dialectical relationship between some people getting rich first and all getting rich together. We must expose and strike blows at individual black sheep who carry out unlawful activities, such as speculation and swindling, under the pretext of a specialized household. This way is beneficial to the healthy development of specialized households.

Comrade Liu Zhengwei also demanded: Party and government departments at all levels must completely sum up experiences in supporting the specialized households to develop, and further strengthen leadership over the work of developing specialized households. Currently, we must pay special attention to drawing a clear demarcation line between lawful operations and violations of the law and discipline, and must not regard normal economic contacts as unhealthy trends.

/12929
CSO: 4007/343

COOPERATIVES PROVIDE IMPROVED SERVICE

Beijing NONGMIN RIBAO in Chinese 25 Dec 85 p 2

[Article: "Five Changes in Hubei's Supply and Marketing Cooperatives During the Dual Reforms"]

[Text] During reforms, Hubei's system of supply and marketing cooperatives has maintained the fundamental point of permitting the internal management system to correspond to what is needed for managing good relations with the peasants. Implementing the "5 changes" both internally and externally has further advanced reforms.

Changing collective ownership from that of "all the people" to that of the peasant masses themselves. Beginning in 1982, the Hubei supply and marketing system has annually sent a large number of cadre to the villages to check and to promote cooperative members' investing in shares. To date, the peasants have invested in new shares or collectively invested more than 79 million yuan. This is 4.8 times the amount of original shares. The portion of new and old share investments in the cooperatives' own circulating funds has increased from 4.7 percent before the reforms to 25.3 percent at present.

Changing the relationship with peasants from one of buying and selling to one of service, in order to expand services for rural commercial production. In just the first half of this year, supply and marketing departments have joined operations with 420,000 peasant households, supplying 11,320,000 yuan in support funds and discounting interest on loans by 17 million yuan.

Changing closed operations to open operations. All supply and marketing cooperatives respect the peasants' wishes and widely use various means, such as making purchases and sales on the peasants' behalf, jointly arranging purchases and sales, or serving as commission agents. All of these methods are to make peasant purchase of production materials and consumer items more convenient. In accordance with the needs of market adjustments, Hubei is also experimenting with separate-purchase-joint-marketing of agricultural sideline products and joint-purchase-separate-marketing of industrial products.

Changing basic level cooperatives from being dependencies of administrative government into being relatively independent commercial operators. According to the special characteristics of cooperative commerce, the supply and marketing cooperatives pass management autonomy down to the basic level enterprises and pass management decision-making authority to shareholding peasants. Operation of the service organization is without exception done by the basic level enterprises in accordance with their professional needs. The labor organizaton of employees also is decided by the enterprises themselves. At present, 72.4 percent of all employees have been organized in Hubei.

Changing from purely administrative management by levels above the cooperative to joint economic entities. According to the needs of reforms, all joint cooperatives above the county level should become joint economic entities with the status of independent economic actors. They should have autonomous control of personnel, finances, and materials. At present, 85 percent of cadres in basic level supply and marketing cooperatives have entered joint county cooperatives.

12994/12624
CSO: 4007/237

HARVEST RESULTS REPORTED FOR HIGH-QUALITY RICE

Beijing NONGMIN RIBAO in Chinese 24 Dec 85 p 1

[Article by Chen Jifang [7115 0679 5364]: "After Organizing Specialized Households To Introduce Paddy Breeds Developed by Seed Selection, and after Assigning Specialists To Guide Cultivation Techniques, Hunan Reaped a Good Harvest on 10 Million Mu of High-Quality Rice"]

[Text] The cultivation of many breeds of high-quality rice over a large growing area, with high per-unit yields, is a new characteristic of grain production in Hunan during 1985. This year we grew high-quality rice on 10 million mu of land provincewide, and output reached 8.5 billion jin. These figures represent 1.8-fold and 2-fold increases, respectively, over 1984.

After 2 years of readjustments, the internal composition of agriculture in Hunan is gradually becoming rational. Certain steep, sloping fields unsuited to growing grain crops were converted to cash crops or withdrawn from farming to revert to forest; and certain low, waterlogged fields that produce low returns on grain cultivation were withdrawn from cultivation to revert to lakes and expand fishery production. In 1985 the total area devoted to cash crops in Hunan was enlarged to 15 million mu, up 20 percent over 1984. After this readjustment of industrial composition, how were we to expand grain production? Hunan's method has been to improve per-unit yield and extend the growing area devoted to high-yield, high-quality varieties.

In 1984 the provincial government established the High-Quality Rice Development Leading Group, withdrew 40,000 yuan from public funds, and organized experts and instructors to collect and introduce more than 1,100 rice breed resources. They selected and bred 45 high-quality, high-yield varieties and combinations, assigned specialists to be responsible for guiding implementation on high-quality rice breeds and cultivation techniques, and effected a procurement policy that offers high prices for high quality. Provincial, prefectural and county departments of agricultural technology organized cooperative groups to test, demonstrate, and popularize high-yield, high-quality paddy; compile technical data; train technical personnel; improve cultivation techniques on high-quality paddy; help villages to build "ton-capable grain field projects"; and improve the level of intensive cultivation. Through these efforts we not only doubled the growing area devoted to high-quality rice, we also universally improved its per-unit yield. In Xiangtan and Xiangxiang counties, the 60,000-plus mu of land growing "106" and "1952" varieties of top-grade late rice averaged a unit yield of 950-plus jin, an increase of 100-plus jin over 1984. Thus, the farmers growing this kind of high-quality late rice were able to increase their income by over 800,000 yuan. In 1985 the per capita net income is predicted to rise 40 yuan over that of 1984.

12510
CSO: 4007/230

GOVERNOR: PURCHASING REFORMS USHER IN HIGHER GRAIN PROFITS

OW251223 Beijing XINHUA in English 1150 GMT 25 Mar 86

[Text] Changsha, 25 Mar (XINHUA)--Peasants in Hunan Province are expecting more earnings this year as a result of state purchasing reforms, according to Provincial Governor Xiong Qingquan.

The mandatory quota of grain the peasants must sell to the state at official contract prices has been cut this year--enabling them to sell more at higher prices on the open market.

Farmers contracting to sell grain to the state will be able to buy fertilizer at subsidized prices and big producers will be given preferential treatment in raising low-interest bank loans.

In areas where rural industry are well developed, the local government will use parts of the income from industry to subsidize the peasants who sell r grains to the state.

Hunan, China's biggest rice-grower for the past three years, produced 25 million tons last year, of which 4,800,000 tons came under the state's compulsory purchase quota.

This year, the quota has been cut to four million tons. All surpluses above this, which are not needed by the peasants themselves, can be sold on the open market.

Governor Xiong said the government would reduce or cancel purchase quotas in the event of a natural disaster.

In the past, peasants had to plant according to the state plan, and had to sell all their products except for those they needed for themselves at official prices.

The government has introduced a contract purchasing system and has cut quotas as a financial incentive to peasants to grow more grain.

China has set itself a target of producing 450 million tons of grain a year by 1990, compared with 1984's record harvest of 400 million tons. The Hunan Governor said he was confident that the province's grain output could be boosted by half a million tons a year over the next five years.

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CSO: 4020/254

BRIEFS

ANIMAL HUSBANDRY--The province has achieved initial results in developing animal husbandry by using foreign funds. Up to now, the province has brought in about 80 million yuan of foreign funds to develop animal husbandry. The province has also established economic and technological cooperation in animal husbandry with 11 countries, areas, and world organizations, including the United States, Australia, Denmark, Switzerland, Hong Kong, and the World Bank. [Summary] [Changsha Hunan Provincial Service in Mandarin 1100 GMT 22 Mar 86 HK] /8309

CSO: 4007/339

BRIEFS

LIVESTOCK OUTPUT INCREASES--In 1985 swine and poultry production developed fairly rapidly in Jiangsu. The quantity of swine reared increased 3.3 percent over the previous year, and the number of sows now on hand is 28 percent higher than at the same period of 1984. In Jiangsu more than 350 million fowl were raised--double the number raised in 1983. The output of fresh eggs has increased about 150 million jin over 1984. Jiangsu actively supports specialized households engaged in raising swine and poultry, giving them priority access to loans and piglet breeds, and teaching them breeding techniques. The province has also worked hard to set up swine breeding farms, poultry breeding farms, and poultry brood farms, and has been active in breeding improved strains and promoting quality improvements. Of the 64 counties in the province, 55 have established artificial insemination stations for swine. In 1985, 2 million head of lean porkers were slaughtered, accounting for 10 percent of the total number of pigs slaughtered. There are now 161 poultry breeding farms provincewide, raising more than 520,000 fowl of such improved breeds as Luyuan chickens, Taihu geese, and Yingtaogu ducks. Each year they supply 21 million-plus breeding chickens. Currently there are over 4,500 poultry brood farms in the province, and they hatch more than 420 million fowl per year--an increase of 38 percent over 1984. [Text] [Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Dec 85 p 3] 12510

CSO: 4007/230

BRIEFS

CORN EXPORTS--In February of this year, Jilin exported more than 470,000 tons of corn, a 2.1 fold increase over the 220,000 tons exported during the same period last year, and the best record yet. This year, the state has assigned Jilin 56 percent of the national export task for corn. [Excerpt] [Changchun JILIN RIBAO in Chinese 7 Mar 86 p 1] /12913

CSO: 4007/342

BRIEFS

AGRICULTURAL OUTPUT VALUE--According to the Statistics Department of Liaoning Province, the province's agricultural output value reached 8.74 billion yuan in 1985, the third highest in our history, behind only that of 1983 and 1984. [Excerpt] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 22 Mar 86 SK] /8309

CSO: 4007/339

CPC SECRETARY GIVES VIEWS ON RURAL ECONOMIC DEVELOPMENT

HK260200 Yinchuan NINGXIA RIBAO in Chinese 22 Feb 86 pp 1-2

["Excerpts" from the speech by Li Xuezhi [2621 1331 2535] at the Ningxia Regional Rural Work Conference held on 28 January 1986: "Carry Forward the Spirit of the Foolish Old Man, Develop Reform in Depth, Promote the Sustained, Steady, and Coordinated Development of Ningxia's Rural Economy"]

[Text] During the conference, we have conveyed the spirit of the central rural work conference and studied the central Document No 1, and the important speeches by such comrades as Ziyang, Wan Li, Jiyun, and Runsheng. In accordance with the arrangements of the central authorities and the State Council and in light of the region's actual conditions, the regional CPC committee and people's government have worked out plans for the rural work in 1986. Here I would like to discuss my views on some issues.

I. Acquire a Correct Understanding of the Rural Situation

The region's current political and economic situation is as fine as that of the whole nation. The people throughout the region are working as one for the "four modernizations." The situation characterized by stability and unity has been further consolidated. The tasks for the Sixth 5-Year Plan have been overfulfilled in an overall manner, thus further boosting the staying power for the national economic construction. Significant advances have been made in both urban and rural economic reforms and consequently, urban and rural economies have become more invigorated. The continued building of spiritual civilization has developed in depth, bringing about a further turn for the better in party conduct and social behavior.

Of the 44 major targets set by the state during the Sixth 5-Year Plan period, for industrial and agricultural products, 32 have been overfulfilled ahead of time as were the five comprehensive targets. The total social output value increased by 56 percent or an average yearly increase of 9.3 percent; the total volume of national income rose by 56.9 percent or an average yearly increase of 9.4 percent; the region's financial revenues went up by 47 percent or an average yearly increase of 8 percent; the total retail sales volume of social commodities increased by 89.8 percent or an average yearly increase of 13.7 percent; the total volume of savings deposits of the urban and rural

population rose by 272 percent or an average yearly increase of 30.1 percent; the annual disposable income of city dwellers amounted to 702 yuan or a gain of 31.4 percent; and the average per-capita income of the peasants came to 344 yuan or a rise of 93.3 percent.

The rural situation has developed more rapidly. The six targets set by the state during the Sixth 5-Year Plan period for farm produce have all been overfulfilled ahead of schedule. This state of affairs is connected with the rural reforms which were introduced earlier and the mutually stimulative role of urban and rural reforms. Last year, under the general arrangements of the CPC Central Committee for the second-step rural reforms, our region concentrated on conducting reforms in five areas:

--We discarded the system of unified and fixed state purchases of farm produce, a system which we had followed for years, and apart from practicing the system of purchasing grain and other major farm produce through contracts, abolished state purchases of the remaining farm products, put them under the regulation by market mechanisms, and let their prices fluctuate along with market demand.

--We abolished mandatory planning among producers, practiced a planning system under which macroeconomic control and microeconomic invigoration were equally stressed, and organized production according to market demand.

--We further implemented the plan of "never slackening our efforts to carry out grain production and vigorously develop diversified undertakings" and rationally readjusted production patterns by suiting measures to local conditions.

--We lifted irrational restrictions and further loosened controls over commodity circulation by encouraging the initiative of the state, the collective, and the individual.

--We reformed the management system and enhanced the ability of governments at various levels to manage and coordinate the economy.

Reform is multi-faceted. The above major reforms have given a boost to the other fields of rural reforms and as a consequence, the region's rural economy has entered a state of vigorous development.

1. The rural economy has become more active than it was in any previous period. Above all, production has been invigorated. Apart from reductions in grain production and grain marketability rates, there has been a marked increase in the commodity rate of other agricultural and sideline products, which was up 43 percent. Next, things have been straightened out in commodity circulation. The total purchase and marketing volume of social farm and sideline produce in 1985 amounted to more than 420 million yuan and the number of peasants engaged in commodity circulation totaled 70,000 to 80,000 people. In the region there were 185 trading centers for farm produce in 1985 whose transactions totaled 191 million yuan or up 30.3 percent over 1984, and nearly 1,000 items of farm goods were traded there.

2. Compared with the previous periods, the peasants have become more enthusiastic about commercial production and more peasants engaged in commercial production and exploitative production. With the constantly expanded scope of production and operations, the peasants have invested more of their money in production than in the previous year. The social value created by every farm worker was 1,200 yuan or more, up 14.1 percent over 1984.

3. The rural economy has continued to develop. Because of natural disasters and the readjustment of the structure of farm production, there was a reduction in the acreage of land sown with grain crops last year. This, plus policy-related reasons, where growing grain crops promised fewer profits than doing other businesses, and the mistakes in our work, where measures were inadequately taken to carry out capital construction of farmland water conservancy projects and to spread the use of advanced technologies, caused a reduction in grain production. Last year the total grain output amounted to 2.8 billion jin or so, about 9 percent less than in 1984. However, it was still the region's third best bumper harvest year for grain. During the Sixth 5-Year Plan period, the region's total grain output went up by 15.9 percent or an average yearly increase of 3 percent. Against the background of a reduction in grain production, the rural social output value totaled 1.44 billion yuan last year, up 12.8 percent over 1984. In particular, gratifying progress was made in the region's animal husbandry and township enterprises. The region's total output of meat was 67 million jin, up 24.8 percent over 1984; that of eggs, 22 million jin or more, up 27 percent; and that of milk, 25 million jin or more, up 55.9 percent. The total output value of animal husbandry came to 161 million yuan, up 24.9 percent. Last year township enterprises made new headway despite stricter money supplies, reduced loans, and fund shortages. Their revenues totaled 608 million yuan or more, up 68.4 percent over 1984. The taxes and profits they handed over to the state and the profits they created all increased by 77 percent. Of their profits, the amount used as subsidies for agricultural production amounted to 1.07 million yuan.

4. Despite natural disasters, the income of the peasants has continued to increase. According to a sample survey, the average per-capita income of the region's peasants was 31 yuan more than in 1984 or a rise of 9.8 percent.

5. The situation of poor mountainous areas and households with financial difficulties has improved quite remarkably. The acreage of mountainous areas covered with trees and grass totaled 6.02 million mu, with every household having, on the average, 14.2 mu and 7.3 mu of land planted with trees and grass respectively. More than 1.2 billion jin of trees and grass was burned as fuel every year. Thanks to the extensive use of firewood-saving stoves, forest destruction has basically come to a halt and the forest cover is being restored. Over the last few years, the problem of drinking water for the more than 387,000 people of Han and Hui nationalities and for more than 700,000 domestic animals has been solved by adopting such measures as diverting the waters of the Huang He to mountainous areas, building reservoirs, and drilling deep wells. More than 80,000 people have been settled in the region's 10 joint farms [diao zhuang 0680 8369]. Last year the farms produced

28 million jin of grain, planted 30,000 mu of forests, and planted 8 million trees or more and grew 30,000 mu of grass on the fringes of villages, along rivers and roads, and around cottages. According to an analysis of the situation of various localities, about 80 percent of the peasants in mountainous areas have initially solved the problem of food and clothing, 10 percent of them are taking the road to affluence. Last year nearly 10,000 peasant households with financial difficulties in the mountainous areas freed themselves from poverty.

6. New headway has been made in building spiritual civilization. Its quite noticeable manifestations are that the peasants have a stronger sense of having the cardinal principles in mind and taking the overall situation into account and have become more united and willing to help each other. Last year, the peasants in Taole County, Wuzhong City, and Lingwu County overfulfilled their tasks of selling grain to the state as stated in the contracts they signed with the state. Having rid themselves of poverty and begun to become prosperous, quite a few peasants "have never forgotten their villagers and instead, regarded it as their duty to help the poor after becoming prosperous." This is a manifestation of their high ideological level.

Organizations engaged in reclamation of wasteland have vigorously conducted reforms and thus scored great achievements in providing society with large quantities of farm and sideline products. They have great potential for further development and should continue efforts to turn themselves into comprehensive commodity production bases and make new contributions in invigorating the region's economy.

Our situation is fine but there are still many problems confronting us. They are mainly inability to adapt, incongruity, and a lack of coordination. In terms of ideology, some people have an inadequate understanding of the complex and arduous nature of further reforming the rural economic management system and the system of purchasing and marketing agricultural and sideline products and of readjusting the structure of rural production. In particular, they lack experience in developing the rural commodity economy in the new situation. In terms of policy, there are still many incongruities. They are a reduction in capital construction investment in the agricultural sector, price hikes in some means of production for farm use, a heavy burden on the peasants, a widened income gap between the peasants who engage in farming and those who engaged in industry and commerce, and less enthusiasm for planting grain crops among the peasants. Moreover, there are also some bottlenecks in the circulation of commodities. The lack of coordination in reforming our systems is mainly manifested in the fact that our reforms have not matched the needs of the expansion of commodity production. Our measures have been inefficient and their implementation inadequate. We have slackened our efforts in farmland capital construction and failed to persist in carrying out advanced effective measures to boost production and to concentrate on enhancing our staying power for further development from a long-term point of view. Some peasants in the southern mountainous areas still have problems with their production and lives and in particular, about 20 percent of the poor peasant households with financial difficulties are still without enough food and clothing. We must not overestimate the level of affluence in the countryside.

We must further sum up experience and carry out reforms in depth so as to give boost to the sustained, steady, and coordinated development of the region's rural economy.

As far as the rural work for 1986 is concerned, we must thoroughly implement the spirit of the central rural work conference and this year's Central Document No 1, conscientiously carry out the strategic principle that agriculture is the foundation of the national economy, take a further step in executing the various policies concerning rural work, consolidate, assimilate, replenish, and improve the numerous reform measures we have taken, increase input of resources in all fields of endeavor by relying on correct policies and the use of science and on qualified personnel, and we must work hard to improve production conditions so as to promote the overall development of the rural economy.

The main targets of the rural economy for this year are as follows: The total agricultural output value will increase by 1.6 billion yuan, up 8.3 percent; the total output of grain is expected to reach 3 billion jin, up 7.5 percent; that of edible oil, 110 million jin, up 2.8 percent; and that of beets 400,000 tons, up 4.8 percent. The area of land planted with young forest trees will come to 700,000 mu and that for cultivating young plants, 25,000 mu. A total of 50 million trees will be planted in scattered areas. The area of land to be planted with young fruit trees will amount to 60,000 mu and that planted with grass, 700,000 mu. The total output of meat will be 70 million jin, up 4.6 percent; that of eggs, 25 million jin, up 10.5 percent; that of milk, 30 million jin, up 18.6 percent; and that of fish, 2,500 tons, up 13.6 percent. The total output value of townsnip enterprises will come to 700 million yuan, up 17 percent. The net average per-capita income of the peasants will increase by 16 yuan to 360 yuan, up 4.7 percent.

II. Take Active, Steady, and Reliable Measures in Readjusting the Rural Economic Structure

With the readjustments carried out over the last few years, in particular in the past year, there has been some measure of change in the region's rural economic structure. During the Sixth 5-Year Plan period, the area of land sown with grain crops was reduced by 13 percent at an average rate of 2.7 percent a year and that sown with industrial and other crops increased by 13.3 percent at an average rate of 2.5 percent a year. Of the total agricultural output value in 1985, the proportion of the output value of crop planting dropped from 78.2 percent in 1980 to 71.8 percent and that of forestry, animal husbandry, sideline occupation, and fishery increased from 21.8 percent to 28.2 percent. The rural secondary and tertiary industries developed fairly rapidly and township enterprises whose total output value occupied one-third of the rural social output value had gradually become an important pillar of the rural economy. The facts have proved that taken as a whole, the readjustment of the region's rural economic structure is correct

in orientation and the steps taken in carrying out the readjustments are prudent and reliable. However, judging from the requirements of the development of commodity production and of maintaining an ecological balance, the rural economic restructuring has not been properly carried out, let alone overdone. Therefore, we must continue to carry it out in line with the principle of "never slacken our efforts in grain production and vigorously develop diversified undertakings" resolutely and step by step.

At present the enthusiasm of some peasants in the irrigated areas for growing grain crops has fallen as compared with a few years ago. We must address this problem. In accordance with the spirit of the Central Document No 1, the regional CPC committee and people's government have decided to adopt the following policies and measures. 1) It is necessary to perfect the system of purchasing grain by contract. The volume of grain purchased under that system will be reduced from 700 million jin last year to 450 million jin and the volume of grain purchased at above-quota prices is scheduled to be 400 million jin but it will not be distributed as a task among prefectures, cities, and counties and the task will be arranged among them in line with the situation of grain production in the coming years. A practice of linking grain and fertilizers will be carried out among the peasants who have signed contracts with the state on grain production, under which the state will provide them with fixed amounts of top-quality fertilizers at preferential prices which are equal to or lower than government prices and grant them preferential loans. 2) It is necessary to appropriately reduce the selling prices of ordinary chemical fertilizers so as to lower the production cost of grain. 3) It is necessary to increase investment in agricultural capital construction. The investment in agricultural capital construction will be gradually increased to the 1983 level and that in water conservancy projects to the 1980 level. Cities and counties should increase their investment in agricultural production by using their own finances. 4) It is necessary to carry out the practice of "supporting agricultural development with industrial expansion." The region will use more than half of the increased portion of the income tax and industrial and commercial tax which it collects from township enterprises in supporting agricultural development or mainly in subsidizing grain production. The region's revenue from the tax levied on the bonuses of township enterprises will also be used in agricultural development. At least half of the profits delivered by township enterprises to the governments at the township and village levels should be used in agricultural capital construction and public utilities. 5) It is necessary to earnestly lighten the burden on the peasants engaged in farming. The methods of making overall plans for expenses and retaining profits for the collectives should be improved and the problem of the excessive gap between the incomes of the peasants engaged in farming and those in industry and commerce should be steadily solved. 6) The localities which have conditions to drain off water are encouraged to make vigorous efforts to open up new paddy fields in low-lying wasteland to develop rice production on the condition that production on dry land is not affected. The state will grant a 40-yuan loan to those who open up 1 mu of wasteland as working funds, which should be repaid within 2 years.

Two million yuan will be earmarked for this purpose each year, of which two-thirds will be used by the regional authorities and one-third will go to prefectures, cities, counties, and wasteland reclamation bureaus. Those which have more favorable conditions are encouraged to open up more such fields. 7) It is necessary to undertake farmland irrigation capital construction in a big way and to do a good job in maintaining water conservancy projects this spring. Efforts should be made to complete the projects necessary for strengthening dykes and pumping up water and make the best use of these projects this year. A good job will be done in the preliminary work for the Yan-Ding-Huan project of pumping up water from the Huang He. 8) It is necessary to fully cherish and protect cultivated land, to adopt decisive measures to check the practices of indiscriminately using cultivated land for other purposes, to seriously enforce the land law, to ensure the proper use of examination and approval rights and to determinedly investigate and handle the cases of illegally and indiscriminately using cultivated land for other purposes.

It is necessary from now on to gear the readjustment of the rural economic structure to market demand, to bring the strong points of specific localities into play, and to take the road of serial [xi lie 4762 0441] development comvining "crop planting, breeding, and processing." The localities which are suitable for growing grain crops should carry out grain production well, strive to boost the per unit area yield, increase the variety of grain products, and improve product quality. The southern mountainous areas are encouraged to make strenuous efforts to grow grass and plant trees, to combine agriculture, forestry, and animal husbandry, to properly handle the contradiction between forestry and animal husbandry, and to pay close attention to the transformation of grass into livestock so as to ensure the simultaneous development of grass growing, tree planting, and stock breeding. Vigorous efforts should also be made to develop the breeding of grazing animals such as cows, sheep, and rabbits and to encourage mountainous areas to breed such animals and farming areas to fatten them up. The irrigated areas where straw, grain, forage grass, and feeds are abundant should energetically develop the breeding of sheep and cows raised in pens while developing pig farming. Active steps should be taken to popularize the breeding of the imported short-tailed and cold-resistant sheep which is large, able to eat coarse fodder, and reproduces well and which promises good economic results--a breed which is suitable for this reason. We must make the best use of beet pulp, which is a juicy fodder with a high nutritive value in developing animal and poultry breeding. During the Seventh 5-Year Plan period, in particular, from this year on, in line with the principle of turning out "brandname, high-quality, special, and new products," we must first do a good job of the construction of bases for commodity grain production and at the same time, pay keen attention to the construction of beef cattle bases with Jingyuan as the center, the Weining production base for lean-pork-type pigs, the commodity bases for meat, poultry, eggs, and milk in the outskirts of Yinchuan, Shizuishan, and Wuzhong cities or such bases operated by the organizations engaged in farmland reclamation, the base for breeding and fattening up short-tailed and cold-resistant sheep in Taole, the breeding

bases for fine-wool or semifine-wool sheep in Guyuan prefecture, the Yantong base for Tanyang sheep, and to the construction of the base for breeding the sandy-colored Zhongwei goat. We must vigorously develop the production bases for economic forests. The areas north to Yinchuan where conditions permit are encouraged to build production bases for aquatic products.

III. Thoroughly Carry Out the Reform of the Circulation System

Last year, the circulation of our region's farm and sideline products, such as watermelons, pepper, and red and black melon seeds, was carried out fairly satisfactorily but some problems in the circulation were very noticeable, such as that the processing and circulation of Chinese wolfberries had lagged behind market demand for quite some time. These problems are connected with the ability of our systems to adapt, the incongruity of interests between different sides concerned, fewer circulation channels, and poor product quality.

The reform in the field of circulation constitutes an important aspect of the economic structural reform. It is also a key task in the rural reforms for this year. We must make further breakthroughs in the following fields of circulation. 1) It is necessary to open up new commodity channels, to adopt new commercial forms, and to run new commercial cooperatives. This year some new transregional and transdepartmental commercial enterprises either combining agriculture and industry, agriculture and commerce or agriculture, industry, and commerce will be set up on a trial basis in Yinchuan, Shizuishan, and Wuzhong. They can be jointly run by the peasants. Efforts should also be made to set up transregional commercial cooperatives so as to reduce the number of administrative links, to lower operating expenses, and to ensure that interests are equally shared. The establishment of joint-venture enterprises with units from other provinces will be encouraged. 2) It is necessary to link processing factories with the producing areas of raw materials and to initiate a contract system. Industrial and animal husbandry enterprises are allowed to deal directly in sheep's wool or to form combined enterprises to operate the wool business. This method can be tried out in some selected areas and be popularized after summing up experience. 3) It is necessary to open up wholesale markets for farm and sideline produce step by step, to establish direct links between the producer and the seller, to reduce the number of intermediate links, and to create conditions for the sales of farm and sideline produce in large quantities in the cities. 4) It is necessary to make continued efforts to reform supply and marketing cooperatives and to take a further step in correcting our attitude toward vocational work. The reform should stress restoring the supply and marketing cooperatives' essence of being run by the people and really running them as the cooperative commerce of the masses of peasants. Commercial and foreign trade departments should also carry out reforms so as to better serve the peasants in circulation work. 5) It is necessary to open up more circulation channels among the people and let the peasants be tempered on the market, thus enhancing their abilities. Leaders at various levels and various departments should provide them with timely information, organize and guide them properly, and enhance their abilities to adapt themselves to the changing market and to compete on the market. 6) It is

necessary to further build necessary circulation facilities, such as warehouses, cold storages, communications, and cars and to bring the existing facilities into full play. Idle facilities can be leased out to the peasants and enterprises.

Deepen Our Understanding and Give Active Guidance to the Healthy Development of Township Enterprises

In running township enterprises, it is necessary to proceed from the realities in our region. Over the last 2 years, township enterprises in our region have developed fairly rapidly. Despite some defects and inadequacies, they are correct in orientation. Their principal aspects are sound and achievements great. Starting from a poor foundation, the region's township enterprises have immense potential for further development. Their fairly rapid development over the last 2 years is in conformity with law. Without a fairly rapid development of township enterprises, there would be no prospects for achieving quadruplication in the rural economy and the goal of prosperity. During the Seventh 5-Year Plan period, according to the plan, the output value of the region's township enterprises is to increase by 15 percent a year and the initiative of townships, villages, teams (cooperatives), integrated peasant households, and peasant households should all be encouraged.

In developing township enterprises, we must proceed from local conditions in natural resources, make the best use of favorable conditions and avoid the unfavorable ones, give fuller play to the strong points, see to it that they have adequate raw material supplies and turn out marketable products, and avoid blindness by taking positive and assured steps. We must base ourselves on and serve agriculture and vigorously run and develop rural industries, food industry, communications and transport, building materials industry, commerce, and repair service trades by adapting our measures to local conditions. Those localities with suitable conditions are encouraged to run small mines, hydropower stations, and processing industries in the service of foreign trade and to process the unfinished products left by large industries. Priority should be given to the development of processing industries for farm produce and such service trades as storage, packaging, transport, and supply and marketing of farm produce. We must conscientiously implement the preferential policy among the processing industries for farm produce, in particular, among fodder- and forage-grass-processing enterprises operating with a marginal profit and actively support them in their development. Importance should be attached to the development of brandname and high-quality products and of the processing of special local products, such as Tanyang sheepskins, wicker, jue cai [0628 5475] Chinese wolfberry, and rabbit meat and of vegetables and fruit, such as onions, potatoes, carrots, and asparagus. Continued efforts should be made to develop beekeeping which promises better economic results.

The problem of funds considerably restricts the development of township enterprises in our region. The state will grant an appropriate and limited amount of loans to township enterprises for their development. However, they should independently solve their fund problems mainly by relying on officially-owned funds, enterprise accumulation funds, and funds raised locally or by the

individuals and through various channels and ways. Township enterprises should retain their profits for accumulation and depreciation use as stipulated and on no account must they dissipate all income. The township enterprises in our region, starting from a poor foundation, have just begun to take off. Therefore, the retention of profits from their operations as funds used to support agricultural production should be appropriate and not excessive at the present stage. In this regard we must not employ the method of "draining the pond to get all the fish" and instead we must give consideration to the ability of township enterprises to develop themselves. It is necessary to do a good job of the construction of small cities and towns and to stress environmental protection.

It is necessary to further combine the import of advanced technology with internal economic associations, to offer preferential terms so as to attract other provinces and autonomous regions to invest in Ningxia for further development, and to strengthen economic and technological cooperation with the coastal areas and other provinces and autonomous regions so as to make up for the inadequacies of the region's township enterprises in technology, qualified personnel, management, funds, and information.

V. Perfect the Cooperation System and Develop Socialized Service Trades

The system of contracted responsibilities on the household basis with payment linked to output is a form of the cooperative economy characterized by the combination of unified and separate management and two-tiered operation. This cooperation system characterized by two-tiered operation should be steadily perfected but household management on which the system is founded should on no account be changed. Recently there have been rumors circulating in some places. Rumor has it that "all land will go to the hands of major households specializing in planting grain crops," "land will be concentrated in order to run large state farms," and "every peasant will be given just a few fen of 'grain ration fields.'" These rumors should be dispelled by clarifying some facts. The central authorities have clearly stipulated that the system of contracted responsibilities on the household basis with payment linked to output is a great pioneering undertaking of the masses of people and "a long-term policy of the party. On no account must it be changed at random and in defiance of the demands of the masses of people." We must conscientiously propagate and implement this party policy and dispel the worries of a section of people.

The rural production conditions and the development levels of the rural economy in the region vary from place to place. Therefore, in perfecting the cooperation system characterized by the combination of unified and separate management and two-tiered operation, we must proceed from local conditions. At present, cooperative economic organizations in the plain regions are encouraged to provide the peasants, as far as possible, with various services before, in the course of, and after production in the fields, such as mechanized plowing, agricultural capital construction, water conservancy, and plant protection and to operate well the business which ought to be undertaken but

cannot be carried out well by a single household. Regional cooperative economic organizations with larger amounts of accumulation funds are in a better position to engage in more business undertakings in the service sector. In perfecting the cooperation system, instead of making excessive demands, the poor areas and the regions where the economy is underdeveloped and collective funds are inadequate should start with a single thing, a single project, a single production link, and even a cooperation undertaking on a one-time basis. The vast numbers of rural cadres assume an important responsibility in perfecting the cooperative economy and doing service and management work well. Rural cadres at the grassroots level must regard doing service work well as an important aspect of the job responsibility system and a basic requirement of the assessment system.

In the region's rural areas in last few years, in the wake of commodity economic development, some new economic combinations have appeared. Though small in number, they have formed a vigorous force in the rural areas. It is adviseable to conduct cooperation in such areas as production, circulation, development, service, and formation of horizontal economic relations. Cooperation can also be carried out either on a temporary, item-by-item, loose basis or on a long-term, overall, tight basis. We must uphold the principle of voluntary participation and mutual benefit rather than demand uniformity in solving different problems in this regard. In developing a new-type cooperative economy, we must draw lessons from the past erroneous "leftist" practices. Stressing cooperation does not mean concentration of means of production, for that practice is doomed to failure. We must encourage specialized households of all types to become prosperous through hard work rather than artificially "build up outstanding households." We must give specialized households support and guidance mainly in terms of principles and policies and give them technical aid.

VI. Take Powerful Measures to Lighten the Burden on the Peasants

Lightening the burden on the peasants is an important policy decision for cherishing and arousing the peasants' enthusiasm, establishing and developing a new relationship between town and countryside, and consolidating the alliance of the workers and the peasants in the new situation.

First, we must unify our thinking, deepen our understanding, and solve the problems of the irrational burden on the peasants from the point of view of the party's basic purpose of serving the people wholeheartedly. On the question of the peasants' burden, we must make specific study and a concrete analysis and differentiate between rational and irrational burdens. The peasants will accept a rational burden. Any irrational and excessively heavy burden must be discarded. In pondering problems and doing things, we must proceed from the realities in the region—our region has a fairly poor and backward economic foundation—and attempt what is possible concerning the burden on the masses of people. In doing good things, we must not act with undue haste and surpass the people's capacity to withstand strains. Our leaders must attach particular importance to the problem of the peasants' burdens, ensure the sound implementation of the examination and approval system, stick to the ceilings for every specific item, and make a regular checkup on the work. In lightening the burden on the

peasants, priority should be given to curbing the indiscriminate imposition of levies on money and unauthorized collection of fees. The various regional departments should take the lead in doing so. From now on, the documents issued by the departments at the regional, prefectural, city, and county levels should be submitted to the rural work department of the party committee at the same level for further study and then reported to the party committees and governments concerned for examination and approval. Grassroots organizations and the peasants have the right to reject any unauthorized imposition of levies on money and collection of fees. In the spirit of reform, water and electricity supply departments should improve the management methods of their supplies in the rural areas, curb every kind of tax evasion, and help the peasants scientifically use water and electricity. Charges for water and electricity must be fair and reasonable.

VII. Conscientiously Help Southern Mountainous Areas Lift Themselves Out of Poverty

To change the backward features of mountainous areas, we must display the spirit of the Foolish Old Man, do painstaking work, and consistently make unremitting efforts. The regional CPC committee has defined the principle of "vigorously growing grass and planting trees, promoting agricultural growth by developing animal husbandry, and developing agriculture, forestry, animal husbandry, sideline occupation, and fishery in an overall manner by suiting measures to local conditions" in regard to the production of southern mountainous areas. Practice over the last few years has proved that the principle is correct and in line with the spirit of Comrade Yaobang's instruction on "growing grass and planting trees, developing animal husbandry, transforming mountains and rivers, and becoming prosperous by eliminating poverty." We must continue to implement it and persistently forge ahead along this road. All localities in mountainous areas must take grass growing and tree planting firmly in hand, develop advantages while avoiding shortcomings, give fuller play to their own strong points, and strive to basically solve the problem of food and clothing for the masses of people and to ensure that the average per-capita grain ration will reach 600 jin and the average per-capita net income [will] reach 300 yuan by the end of the Seventh 5-Year Plan period.

1. Energetic efforts should be made to grow grass and plant trees and to raise economic results. We must adhere to the principle of promoting long-term projects by developing short-term ones and combining the development of the two, and build timber forest bases with the emphasis on conifers and economic forest bases for hippophae rhamnoides [sha ji 3097 2765] and dried and fresh fruit. We must correctly handle the relationship between grass growing and the development of animal husbandry and achieve the transformation of grass into livestock products as quickly as possible.

2. Importance should be attached to the comprehensive improvement and development of mountainous areas. We must do a good job of water and soil conservation by combining the use of biological and engineering measures with the emphasis on the former. We must popularize and perfect the responsibility

system of improving small river valleys on a multiform contract basis with the household as the dominant factor and accelerate the improvement and development of barren hills, slopes, gorges, and beaches. Those "four barren lands" which have not been contracted out should be contracted out as quickly as possible and if the contract methods are not clear and specific, they should be clarified and made more specific. The land on steep slopes at an angle of more than 25 degrees formerly destroyed to grow grain should be returned to growing grass and planting trees.

3. All regional departments and all prefectures, cities, and counties in the plains should strengthen their support to the mountainous areas in material, financial and human resources and in technology on a department-to-department basis. In particular, industrial departments and state-owned enterprises should energetically help southern mountainous areas develop local industries and township enterprises so that they can change their backwardness in industrial production as soon as possible. The construction of infrastructures, such as water and electricity supplies and roads is important.

4. It is necessary to successfully carry out the construction of joint farms in line with the principle of "the plains supporting the development of mountainous areas and the two helping each other in their own development." Leadership over the work should be strengthened in accordance with the principle of "two counties jointly managing the construction of joint farms with a clear division of work, each performing its own duty." The donor and the recipient should work in close cooperation and solve such problems in people's life and production as electricity supply, roads, education, public health work, supply and marketing, and fund shortages as quickly as possible.

VIII. Attach Importance to Bringing the Role of Qualified Personnel Into Play and Strengthen the Popularization and Application of Science and Technology

In developing agriculture, we must rely first on correct policy and second on the use of science and attach particular importance to qualified personnel. It is necessary to strengthen the popularization and application of existing scientific and technological achievements and applied advanced science and technology and to turn science and technology into a productive forces as soon as possible.

1. It is necessary to pay close attention to the popularization and application of new crop varieties and new technologies and to promote a steady growth in agricultural production. Importance should be attached to the import, cultivation, experiment, demonstration, and popularization of the five varieties of such major crops as paddy rice, wheat, corn, potatoes, beets, and fruit and to the purification and rejuvenation as well as regeneration of crop varieties. Vigorous efforts should be made to spread the extensive use of farming techniques effective in boosting production and to do a good job in "two crops and one fertilizer," dryland farming, "two-method" crop planting, and prevention and cure of plant diseases so as to ensure a steady growth in the region's agricultural production.

2. It is necessary to effectively organize the implementation of the "Prairie Fire Plan" and to promote the development of diversified undertakings and the technological transformation of various departments. During the Seventh 5-Year Plan period, we must work hard to set up a number of experimental small-sized, specialized and modern township enterprises which promise better economic results. The region has preliminarily decided to undertake 60 or more projects and to establish 17 experimental technology-oriented township enterprises in such areas as breeding, food, leather, wool, hemp, light and chemical industries, and exploitation and processing of mineral products. The region will train 14,000 rural educated youths and grassroots-level cadres in the next 5 years.

3. It is necessary to strengthen the training of rural scientific and technological personnel and to improve the general production techniques of the peasants. Technical training should be commensurate with production. We should train the necessary personnel and teach people whatever techniques are required in the course of production. Priority should be given to short-term training, training forms should be flexible and varied, and training methods simple and easy. It is necessary to arouse the enthusiasm of various localities and the peasants for running training courses and to carry out the work step by step and in light of local conditions. Scientific and technological and educational departments should give them guidance and support in terms of technology and teachers. All universities and colleges and polytechnic schools should play their role as training bases for qualified personnel, work out their own plans, and energetically train all kinds of qualified personnel. We must attract and invite qualified people through various channels and means and ways or by offering them preferential treatment. Vigorous efforts should be made to develop the science and technology market, to extensively conduct consultancy services in science and technology, to pay attention to the development of model science and technology households of all types, and to do a good job of popularizing science and technology widely.

4. It is necessary to strengthen the building of science and technology demonstration units, to promote work in all areas by drawing upon experience gained in key points, and to accelerate the popularization and application of science and technology. Priority should be given to the work of Guyuan County's Shanghuang and Hongcheng to grow grass and plant trees and to their development of animal husbandry, to the comprehensive improvement by Xiji County of the small Huangjiaercha valley; to Yanchi County's efforts to stop the land in Shabianzi from becoming desert; the experimental development zone in the Tongxin County area newly irrigated by water pumped up from the Huang He; to the experimental development zone in Pingluo County's saline-alkali soil wasteland; and to the construction of production bases for mutton sheep, table poultry, lean-pork-type pigs, and commodity fish.

IX. Make a Success of the Party Rectification in the Rural Areas, Rectify Party Conduct, and Strengthen the Building of Spiritual Civilization

Rural party organizations and party members in our region are good or comparatively good. Under the guidance of the principles and line adopted since the 3d Plenary Session of the 11th CPC Central Committee, they have made positive contributions in leading the masses of peasants in building the two civilizations and promoting rural reforms and economic development. However, we must soberly note that because of the negative influence of the 10 years of internal disorder, impurities exist in the party in ideology, work style, and organization. Some party organizations have lax discipline and are soft and weak or even in a state of paralysis or semi-paralysis. The phenomena in which "party organizations do not take care of party matters" can be found almost everywhere. Some party members lack the lofty ideals of communism, have a very weak sense of organization, and have not participated in party organizational activities for quite some time, failing to play the advanced and exemplary role of party members. Some have even participated in gambling and superstitious activities. Flaunting the banner of reform and forgetting the party's sole purpose of serving the people wholeheartedly, some party members and cadres have cheated the peasants under all sorts of pretexts or by unscrupulously apportioning expenses among them. Some party members and cadres who have succumbed to individualism in a serious way have sought private interest at public expense, seized more housing entitlements than allowed, and illegally dispensed and embezzled public property by abusing power. Some party members and cadres have capitalized on economic reforms for their own gains, engaged in speculation and cheating, evasion of taxes, corruption and theft, seriously violated the law and disciplinary codes, and have even degenerated, embarking on the road of committing crimes. Still other party members and cadres who have been seriously influenced by "leftist" ideology lack a correct understanding of rural reforms and the party's major rural principles and policies. We must conscientiously solve these problems through the current party rectification.

In accordance with the "Circular Concerning the Arrangements for Rural Party Rectification Work" issued by the Central Commission for Guiding Party Rectification, in carrying out rural party rectification, in particular party rectification at the village level, stress should be placed on positive education so as to raise the ideological consciousness of the broad masses of party members. It is necessary to persistently conduct education in basic knowledge of the party and in the requirements of party members so that they will be clear about the party's nature and purpose, foster the idea of serving the people wholeheartedly, and strive to become qualified party members; to conduct education in the current situation and policies so that party members will realize the necessity and great significance of the reform, enhance their willingness to maintain political unity with the CPC Central Committee, and lead the people in becoming prosperous through hard work and taking the road of common prosperity, and to conduct education in party spirit, partydiscipline, and the legal system among party members so as to enhance their sense of organization, and discipline and of the legal system. At the same time, the tiny number of party members who have committed gross mistakes

should be seriously dealt with according to party policies. Party discipline should be strictly enforced so as to maintain the party's advanced nature and purity.

Taking the building of leading bodies in hand effectively is the key to the building of rural party organizations. Over the last few years, in the course of the reform of the rural economy and of the township leadership system, leading bodies at the township and village levels have been readjusted to some extent and there has been a considerable improvement in the state of rural leadership. However, taking the situation as a whole, there are still, in varying degrees, some incongruities in our efforts to lead the peasants in developing the socialist commodity economy and building the two civilizations. In the course of this party rectification, we must pay attention to discovering, training, and selecting a number of party members who have strong party spirit, a sound work style, and who are in the prime of life, and promote them to the leading bodies of the grassroots party organizations in accordance with the requirements of the "four transformations" of cadres. We must teach them new knowledge and new work methods so that they will become highly capable of leading economic construction and cultural development and building the two civilizations and we must give full play to the role of rural party organizations as a fighting force. We must do a good job of admitting new party members in the countryside and pay attention to recruiting the outstanding elements who have made excellent contributions in the building of the two civilizations into the party.

The more intensively rural reforms progress and the more the commodity economy develops, the more we should adapt ourselves to the situation in the new period and its characteristics and stress the strengthening of the building of socialist spiritual civilization. At present, with the in-depth development of rural reforms and economic growth, people's mental outlook has changed significantly. They have become active ideologically forward-looking. The general situation is fine.

To push the building of spiritual civilization ahead, while taking economic work in hand, party organizations at various levels should concentrate their energies more on strengthening and improving ideological and political work, work hard to study and explore the governing laws and characteristics of work, and educate the vast numbers of cadres and people in a lively and flexible way and in various forms. It is necessary to continue to extensively and thoroughly carry out the activities of "five stresses, four beauties, and three loves" and the activities of the army and the people working together to build civilized villages and teams, and "two-civilization" households. The advanced collectives and model individuals who have made marked achievements in the building of the two civilizations should be enertegically commended and their advanced deeds should be given wide publicity, thus upholding healthy tendencies. Continued efforts should be made to successfully run "homes for youth," "homes for militiamen," and cultural or scientific and technological centers in the rural areas and extensively conduct lofty, varied, and colorful cultural and sports activities so as to broaden the participants' knowledge and mould their sentiments.

Propaganda, educational, cultural, and physical educational departments at all levels should vigorously organize cultural work teams to launch activities in the grassroots units. The spring festival is approaching. Instead of indulging in extravagance and waste, we must carry forward the fine tradition of running households with industry and frugality, oppose excessive drinking, strictly ban gambling and superstitious activities, and spend the festival in a civilized and healthy manner.

We must continue to extensively carry out the struggle to crack down on serious criminal activities and the serious criminal activities in the economic sphere; we must strengthen the comprehensive improvement of public order in the rural areas, energetically institute the system of contracted responsibilities in public order, and perfect the written pledges for villagers; and we must vigorously popularize education in the legal system and enhance the peasants' awareness of the legal system so that they will be familiar with and abide by the law and be willing to wage a struggle against all violations of the law and disciplinary codes.

Education in national unity should be conducted extensively and thoroughly so that people of all nationalities will understand that the Han and national minorities are indispensable to each other. Unity between different nationalities and between different sections of a nationality should be further strengthened. Leadership over religious work should be strengthened, the role of the Islamic Association brought into play, and education among religious personages in unity, the four modernizations, and in the overall situation enforced. Contradictions among the people should be solved by means of consultation. Religion shall not interfere in politics, the law, education, and marriage, nor shall economic burdens be imposed on the masses of people. Those who fabricate rumors to mislead people, sow dissension, and create trouble or disturbances by taking advantage of carrying out religious or superstitious activities should be exposed and dealt with seriously.

X. Strengthen Leadership and Improve Work Style

Agriculture is the foundation of the national economy. This is the strategic principle we should persistently follow for a long time to come. The ideas of "no economic stability without agricultural development," "no prosperity without industrial expansion," and "no economic invigoration without commercial growth" form a dialectical unity in terms of relationship, with one stimulating, supporting, and conditioning the other. They are not mutually exclusive. We must continue to adhere to the principle of "no economic stability without agricultural development," "no prosperity without industrial expansion," "no economic invigoration without commercial growth" and of helping each other forward and stressing coordinated development. To offer better guidance in coordinating the rural work in various fields, the regional CPC committee has decided to establish a leading group for the rural economy, with an office in the rural work department of the regional CPC committee.

We must study the relationships between town and countryside and between market demand and supply in the new period and strive to keep abreast of the trends of development. We must proceed from the interests of the overall

situation, properly handle the relationships between the internal sectors of agriculture and between agriculture and other industries, and expedite the steady, sustained, and coordinated development of the rural economy. We must intensify our study, upgrade our knowledge and concepts, and constantly improve and deepen our understanding. We must study Marxism on the one hand and knowledge about modern science and culture and operations and management as well as other necessary professional knowledge.

To strengthen leadership over rural work, we must take Comrade Xiaoping's proposition that "leading means serving" as our guiding ideology, improve our work style, perform more deeds, and make fewer empty promises. We must stress practical results and oppose formalism and boasting and exaggeration. Cadres at various levels must frequently go to the countryside to conduct investigation and study; cadres at and above the country level must spend at least one-fourth to one-third of their time each year on investigation and study at the grassroots units, perform one or two practical deeds for a locality, village, or household and carry out their work successfully right down to every household. In the past year, leading cadres at the regional, prefectural, and county levels did well in personally attending to the affairs of coordinating centers. The practice must be continued. It is necessary, through the establishment of coordinating centers, to strengthen the direct relations with townships, villages, teams, and specialized households and to form an extensive, multi-tiered network of connections so as to heed the views and demands of the masses of people and to promptly discover and solve problems. We must persistently combat bureaucracy and overcome the bad habit of just making promises but doing nothing.

The central authorities have formulated a series of principles and policies for rural development. So long as we effectively strengthen leadership over rural work and rely on the laborious efforts of the people of all nationalities, rural reforms will surely make greater headway, the rural commodity economy will certainly grow more prosperous, and the countryside is bound to thrive. The regional CPC committee and people's government hope that cadres at all levels and the broad masses of people will display the spirit of the Foolish Old Man, adhere to reform, and rally together to wage a solid and indomitable struggle for the overall rejuvenation of the region's rural economy.

/8309
CSO: 4007/340

BRIEFS

FARM MACHINES--In 1985, the aggregate power capacity of Qinghai's farm machines reached more than 1,479,000 horsepower, a more than 5.6 percent increase over 1984. As of the end of 1985, there were 3,267 agricultural vehicles in the province, and more than 39,800 tractors, of which 7,264 were medium-sized tractors and 32,545 walking tractors. [Excerpt] [Beijing NONGMIN RIBAO in Chinese 8 Mar 86 p 1] /12913

CSO: 4007/342

BRIEF

SHAANXI QINCHUAN CATTLE BASES--The construction of commodity (Qinchuan) cattle production bases in Shaanxi Province has been included in the state Seventh 5-Year Plan for the construction of the commodity production bases. In 5 years from this year, Shaanxi Province will gradually build eight counties -- Pucheng, Weinan, Qianxian, Liquan, Zhouzhi, Fufeng, Qishan, and Fengxiang -- on the central Shaanxi plain into (Qinchuan) cattle production base counties. At the same time, the province will also build into a number of base townships some places whose conditions for forage grass are good, whose numbers of (Qinchuan) cattle are large, and whose commodity rates are high. The number of (Qinchuan) cattle on the central Shaanxi plain by 1990 will reach 600,000 head, it will be possible to supply 100,000 head of commodity cattle and 16 million kg of beef of superior quality each year, and the annual output value will reach 100 million yuan. [Summary] [Xian Shaanxi Provincial Service in Mandarin 0030 GMT 1 Apr 86 HK]

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CSO: 4007/343

RADIO REPORTS ON IRRIGATION FOR WHEAT, RURAL ENRICHMENT AIMS

HK240305 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 23 Mar 86

[Station commentary: "Rural Enrichment Must Be Based on the Local Conditions"]

[Excerpts] At present the following situation has appeared in rural Shanxi in the work of protecting the wheat from drought: Irrigation work on watered land has started early, progressed rapidly, and yielded good results, while the fight against drought on dry-land wheat fields has been slow and ineffective. It is imperative to deal seriously with this problem.

The province's wheat area this year is 15 million mu, of which 10 million mu consist of dry-land fields, the big majority. If we fail to get a good grasp of rolling these fields to preserve soil moisture, a bumper harvest will be impossible to achieve. A main reason why work on dry-land wheat is done ineffectively in some areas is that people hold there that they would get richer running enterprises than in growing grain.

Developing industry and sideline undertakings is indeed a good way of enriching the rural areas. However, certain townships and villages, failing to analyze their own actual conditions, discard their strong points for fear of tailing behind others. As a result, they cannot make progress in their new undertakings, while their old trade is abandoned. We must absorb this lesson.

We therefore say that it is impossible for localities to get rich if they pin all their hopes for transformation on one of two enterprises and abandon grain cultivation even though this is their strong point. Hence, in getting rich through hard work, people must certainly not discard their strong points and engage in inferior undertakings. It is necessary to act in light of local conditions and advance in a sound way.

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CSO: 4007/339

BRIEFS

SICHUAN ANIMAL HUSBANDRY--Last year Sichuan had 103 million pigs. The province thus achieved one pig per person and one pig per mu for the first time. The province shipped out 300,000 tons of pork to support some 20 provinces, municipalities, and cities. The number of cattle rose after declining in successive years. Total value of animal husbandry production rose by 14 percent compared with 1984, and its proportion in the overall agricultural output value rose from 23 percent to 25 percent. [Summary] [Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 3 Apr 86 HK]

/12929
CSO: 4007/343

UPGRADED, MAINTAINED IRRIGATION SYSTEM BOOSTS AGRICULTURE

OW031618 Beijing XINHUA in English 1550 GMT 3 Apr 86

[Text] Urumqi, April 3 (XINHUA) -- The Xinjiang Uygur autonomous region in northwest China has boosted agricultural production by conscientious maintenance and upgrading of its main irrigation system.

The Manas river irrigation network, built at the end of the 1950's, is the fourth biggest in China. Located in the southern part of the region's Junggar basin, it irrigates more than 200,000 hectares of farmland, according to a local official.

It can divert 1.2 billion cubic meters of water a year from the 400 km Manas river, which rises in the northern part of the Tianshan mountains.

The whole project includes canals totalling 17,000 km, four hydropower stations, four reservoirs and 400 floodgates, culverts and bridges.

During the "Cultural Revolution" (1966-1976), the system fell into disrepair.

Since 1980, the administration of the Manas river irrigation system has every year used several million yuan for the maintenance and improvement of the system. The funds come from breeding fish, running placer mines and prefabricated cement component plants, and developing tourism.

Now, all canals have been maintained, tide protection walls built and reservoirs strengthened. The management system has been computerized.

Also, more than 200 wells have been drilled, tapping about 100 million cubic meters of underground water.

The improvement of the project has ensured agricultural production and brought about good economic results, the official said. In 1984, the water reserve of the Manas river decreased by one-sixth, owing to drought. But the total grain output of 18 out of 19 state-run farms in the area increased 12 percent, compared to 1979; that of cotton, three times; that of beet, 26 percent; and that of oil seeds 42 percent, he said.

/12929
CSO: 4020/259

BRIEFS

LIVESTOCK PROTECTION—Xinjiang has scored initial victory in protecting livestock from natural disasters. Except for main disaster areas such as Hami, Kizilsu, and Changji, where a few livestock have died, losses are not great in the region. Only 10 to 15 percent of livestock in the region are in a poor and emaciated state, which is a 50-percent reduction compared with this time last year. According to initial statistics, the region has shipped 160 million jin of fodder to the pastoral areas. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 21 Mar 86 HK] /8309

CSO: 4007/339 END

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22 APRIL 1986

China Report

AGRICULTURE

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NATIONAL

MAJOR PROBLEMS IN READJUSTMENT OF RURAL ECONOMY

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMY] in Chinese No 8, 23 Aug 85 pp 3-6

[Article by Lu Wen [4151 2429] of the State Council's Rural Development Research Center: "Problems That Currently Need Attention in Adjusting the Structure of Rural Industry"]

[Text] In recent years, particularly since this year's Document No 1 promulgated by the Central Committee and the State Council, the countryside has actively adjusted its industrial structure, developed a diversified economy and developed a commodity economy. The basic direction of adjustment is correct and it has already achieved marked accomplishments. However, certain problems have also appeared in this adjustment. And so to allow the healthy development of adjustment work, we must pay attention to these problems and appropriately solve them as early as possible.

I. We Must Properly Arrange the Position of Agriculture and Grain

In adjusting the rural industrial structure, we must change the situation of solely self-sufficient production, and in addition to grain production, we must actively develop a diversified economy and develop various fields apart from agriculture in order to enable the majority of rural labor to gradually shift from grain and other farming into other fields, and gradually lower the proportion that grain and other farming constitutes within rural industry. This is in accord with economic laws. However, some rural cadres have recently gone to another extreme, and are developing a tendency to neglect both agriculture and grain. Some one-sidedly stress "without industry, you cannot get rich," and have focused all of their attention on the industrial sector; some cadres, hearing that one "should not be an agricultural secretary," then only act as "industry secretaries;" some, seeing that this year's Document No 1 of the party Central Committee and State Council advocates "trade, industry and agriculture," believe that this is turning "agriculture, industry and commerce" upside down and that agriculture has changed from being the "main item" to one of three items; and some only pay attention to economic entities, and abandon their guidance work towards the whole productive organization. This kind of thinking reflects a whole series of unhealthy phenomena that have appeared in actual work. In many areas, the phenomenon of destroying or indiscriminately occupying cultivated land is very

severe. In the countryside around Suzhou, over 20,000 mu of cultivated land have been taken up by expanding workshops and road building since last year. Nor is in unusual to see abandoned farmland. There has been a broad decline in the area sown in grain, and on the foundation of past declines, 1985 saw another decline of 50 million mu. The amount of chemical fertilizer used has dropped, and in the first four months of this year, total sales of chemical fertilizer fell 13.1 percent over the same period last year. The area of green manure has also greatly declined. In addition to ideas and knowledge, the appearance of the above stated problems is also due to the great degree of agricultural labor intensity, the many risks, the cost increases for the agricultural means of production and the rather low economic results of agriculture, particularly grain production, etc.

In the past few years, agricultural production has developed rapidly and grain yields have constantly increased. Some people feel, then, that there are no longer any problems in agriculture and that the grain problem has been solved. Actually, viewed from the needs of development, the burden born by agriculture is still very heavy. In the past, under the system of monopoly state purchases and distribution, the state contracted for commodity grain, and grain could not be freely bought and sold, nor could be transformed. The price was very low, showing some overproduction, and a lot of contradictions were covered up. After the reform of the monopoly purchase and distribution system, certain problems appeared. Grain-short provinces such as Guangdong, Fujian, Guizhou and Yunnan, had to adopt certain administrative methods to set purchases from peasants in order to guarantee their own grain supplies; with the adjustment of the industrial structure, the amount of grain needed increased daily. For example, Guangdong now requires that over two billion jin of grain be brought in each year through state allocation and transfer or through private trade, and according to estimates, by the end of the century, this will increase to five billion jin. The adjustment of the industrial structure in these areas has been restricted by grain, and so raises the prospect that advances in grain supply (including transfers in) will determine the pace to be followed by the adjustment of the industrial structure. Because of the elimination of the grain purchase monopoly, grain producing areas can freely move grain to grain-short areas; in addition, after the opening up of purchase and distribution of domestic poultry, the price of animal and poultry products has gone up, grain has been transformed into animal and poultry products, and in most places, there will not seem to be an over-supply of grain. Consequently, we must comprehensively implement the spirit of "by no means relaxing grain production and actively developing a diversified economy," put grain in the proper position and not view it as unimportant.

Agriculture is the foundation of the national economy. This is a law common to all societies. Not only are economically undeveloped societies like this, but economically developed societies are also like this. In developed countries, very few people engage in agriculture, but agricultural labor productivity is very high, yields are very high and quality also rises constantly. If a country's agricultural foundation is weak, then it must obtain its supplies of needed agricultural products on the world market. China is a large country with a massive population, and we definitely cannot entrust the supply of our major agricultural products to the care of other

countries' agriculture. If large problems appear in our agriculture, no country or region of the world would be able to bear that large a burden. In order to guarantee our independence and social stability, we must stress and do a good job with agriculture. In adjusting the industrial structure in the countryside, we definitely must take some land to grow cash crops and to develop forestry, animal husbandry and fishery, and must shift a fairly large amount of labor into non-agricultural fields. This requires that agriculture have an even higher labor productivity and even higher per-unit yield, and the rise in people's consumption levels also requires that the quality of agricultural products also constantly rise. Consequently, the greater the development of non-agricultural fields, the greater the demands on agriculture This certainly is not to say that all places should be self-sufficient in agricultural products, and should give play to local advantages and satisfy local needs through commodity exchange. However, considered from the whole country, we must pay heed to basically satisfying needs; all areas must also consider the possibility of the internal supply, including communication, transportation, and value, etc., consider the advantages and disadvantages of producing goods themselves and bringing them in from the outside, and arrange industrial distribution based on these circumstances.

We must get an overall grip on Central Committee documents and the speeches of responsible comrades of the Central COmmittee, and should not take things out of context. The expression "without industry there is no enrichment" was raised after "without agriculture there is no stability," "without commerce there is is liveliness," with the phrase "without agriculture there is no stability" in first position, and you cannot simply extract one expression and make it the whole thing. The expression "you should not be an agricultural secretary" was to say that under conditions where the countryside has already entered comprehensive development, those who are leaders should have an overall grasp of things. The Central Committee's 1984 Document No 1 clearly pointed out that "Now, rural work cannot solely be responsible for the targets of several major products, but should give serious attention to overall development; not only should they increase production, but also must guide the peasants in studying economic business accounting, and be particular about economic results; not only should they be concerned about production, but also must be concerned about various links such as exchange, distribution and consumption, etc; not only should they be concerned about agriculture, but they should also be concerned about the development of all sectors of the national economy and of undertakings such as culture, education, science and technology, sanitation and physical education, etc." The expression "trade, industry and agriculture,"is by no means the inverse of "agriculture, industry and commerce." Document No 1 of the party Central Committee and the State Council has a clear explanation of the meaning of "trade, industry and agriculture." Putting forward "trade, industry and agriculture" not only does not slight agriculture, but precisely means to put agriculture in an important position. We must open up, introduce things from the outside, and realize a balance of foreign exchange and so must strive to do well in exports; and in export products, agricultural products and their processed goods all have a fairly strong competitive capacity and fairly high exchange rate, and so to stress doing well in agriculture and processing of agricultural goods is to put agriculture in an important position.

II. Development in Various Fields Must Meet Social Needs

The adjustment of various fields in agriculture has taken place at differing speeds. The production of some has developed very rapidly, far surpassing domestic social needs and the amount that can be exported. For example, although the area planted to cotton has shrunk over 20 million mu over last year, and the yield will probably be just slightly smaller than last year, the expected yield will probably be 40 percent over the year's needs; the area planted to and yield for cured tobacco increased, and is expected to surpass needs by 14 percent; and in some areas, the watermelon yield will probably surpass normal market requirements. Yet the production of other things has not developed enough, and cannot satisfy social needs. Although forestry has developed fairly quickly, the amount felled still surpasses the amount of growth, and there are still many factors that are not helpful to forestry in the production, management and circulation systems that require great efforts over a long period of time; production of grass-eating animals, dairy cattle and aquatic products is also inadequate, and market supplies are still very tight. Fruit and vegetables, too, still require actively increased production.

Whether the production structure is rational or not is not determined by some unchanging proportion or fixed rule; rather, the most fundamental indication for measuring whether or not the development of a certain field is rational or not is, first, whether or not is meets social needs, and secondly whether or not it fully and rationally utilizes local resources and gives full play to local potential and advantages. Even if the locale has beneficial conditions for producing a certain product, if it is not needed by society, then it will not develop; and conversely, if a product is needed by society, even if local conditions are not good, it can develop, though of course, it will be at an advantage and obtain the best economic results in areas with the best conditions. If a product is in short supply and cannot satisfy social needs, then this can limit social production or the standard of living, and they will fall into a predicament. Under free exchange, the value of a certain product will rise, and become the motive force for promoting the production of that product, until yield increases and supply improves, and only then can prices fall. On the contrary, if products surpass social needs (including what can be exported and stored), then the excess part will lose its utility and value, cannot be sold and cannot recovery the costs already paid out. If this part of the product in held in storage, not only will be occupy storage capacity, create idle funds, and bear credit interest, but would result in constant losses and it would create social losses in many areas. Only when the quantity and quality of products fits the needs of society can they enter into regular exchange, recovery investments and also make a certain profit. We can see from this that if production is inadequate, of course it is not good, and that if it surpasses social needs, it is not any good either. So we must strive to make production suit the needs of society.

There are many factors creating the current product insufficiencies and surpluses, but generally speaking, it is because our planning is not thorough and our information not timely. We do not really know what is what when it comes to the social needs for many products, and even when we do, we are unable to transmit the information to the producers in a timely fashion.

Peasants often produce according to their own conditions or experience, and there is a great deal of blindness in how they go about it. Even though we know the needs of the domestic and foreign markets for some products such as cotton or cured tobacco, because prices are fairly high, we are not able to make adjustments according to supply and demand in a timely fashion, there is more income from cotton and cured tobacco than from other crops, and peasants still maintain the same vigor in farming. Due to our policies and system, some products such as lumber have not been able to fully mobilize the enthusiasm of peasants engaged in forestry, and though forestry production has developed greatly over the past, it still cannot meet needs. In addition, because of limitations in transport and other conditions, lumber in some areas cannot be extracted, or even though it can be felled, it cannot be transported out. And there are still other products, such as fruit and vegetables that even after opening up still require some production processes before they can satisfy needs. We must still do a lot of work in order to allow the development of production to meet society's needs,

1. We must do well with planning and information work. Planning departments must study through various channels the demand for agricultural and sideline products and understand production conditions. Moreover, they must transmit that information to producers in a timely manner and form a concrete production plan.

2. We must improve the agricultural product purchase contract system. Each year before fall planting, we should make known to lower levels the varieties, quantities and prices of agricultural products to be purchased by the state, talk them over with the peasants, and sign product purchase contracts based on equal exchange and peasant willingness.

3. Set up and perfect specialized associations and cooperative organizations. Enable them to be able to represent producers in dialogues with purchasing units, negotiate the variety, quantity, quality, price and other conditions for products to be sold, and formulate a concrete production plan in accordance with the purchase contracts and other conditions, and implement them down to the producers' level, becoming the basis for their production activities. Without this kind of organizational guarantee, the state's agricultural production plan and purchase contracts will be very difficult to implement, and it will be difficult for the peasants' production to escape from blind conditions.

4. We must be good at applying economic levers to regulate production. After the reform of the monopoly purchase and distribution system for agricultural and sideline products, market regulation started to play an important role. We must flexibly apply price, tax, credit and other economic levers to regulate production according to the production circumstances and society's needs. In regard to products whose amounts surpass the needs of society, such as cotton and tobacco, when we are unable to meet social needs by relying on ideological work and administrative methods, then we should lower prices appropriately or impose appropriate limits in the areas of taxation or credit. In regard to products that do not meet society's needs, we should give preferential treatment in the areas of price, taxation and credit in order to promote their development.

5. Strengthen material investment for products in short supply and basic construction for circulation. All of agriculture needs to move ahead with basic construction and strengthen scientific work, and among these, short line products such as forestry, animal husbandry and fishery, in particular, need to be strengthened. In the circulation field, we must strengthen basic construction in communication, transportation and storage facilities, and so allow the excess product of producing areas to be shipped to deficient areas or into storage in a timely fashion.

6. We must have the necessary material reserves. Social production is extremely complex, and agricultural production is also affected by the conditions of nature, and there is often an imbalance between supply and demand. And so in order to guarantee a balance between production and sales and stable prices, we must have certain material reserves. To meet this, we must establish certain reserve funds and move ahead with the relevant basic construction.

It will require a fairly long process to do a good job with the above work and to adjust the agricultural production structure.

III. We Must Adjust Rural and Township Enterprises

In 1984 rural and township enterprises developed very rapidly, and output value increased 39.8 percent over 1983. The number of people engaged in these enterprises increased by 20 million. The provinces of Anhui, Gansu, Jilin and Shanxi all increased more than 50 percent over the previous year. The construction industry increased the fastest, at 59 percent over the previous year, and communication, commerce and other service industries increased 45 percent, industry increased 36.8 percent, and agriculture increased 10 percent. This year the developmental trend is also very intense, and in the first five months of the year, the output value for the nation's rural and township enterprises increased 51 percent over the same period in 1983.

But there are a number of problems in this kind of development. One is that when the speed of development is too fast, it exceeds the capacity of the funding, energy, and communication quarters. The relative amount, scale and speed of various areas neglects necessary conditions and economic results. When development is too fast and investment is too great, some enterprises squeeze funds from other fields, creating a new imbalance; and some enterprises rely mainly on credit, and so lack a dependable economic base. When development is too fast and communication and energy is not suitable, it leads to contradictions in other areas, there are not enough raw materials for some enterprises, which then fall into a situation of paying heed to some areas while neglecting others. When development is too fast, there are not enough qualified people, and the people they have lack managerial experience have a difficult time achieving results. Some people even become burdens. A second problem is the the rapid development rural and township enterprises appeared under conditions of expanded rural credit last year and this spring, but after March of this year, credit shrank, causing rural and township credit to face a grim situation. Many enterprises which relied on credit were stopped in mid-construction and could not be completed. Some enterprises that had been put into operation and were just into production were not be able to

carry out normal production due to a lack of circulating funds. And although places everywhere thought of many methods, it was still difficult to extricate themselves from this plight. After entering the second quarter, the developmental speed of rural and township enterprises decreased greatly, and they needed to make new arrangements. Third is that internally, rural and township enterprises lack the proportions that they should have. Many places hurriedly started up money-making enterprises without paying attention to their own conditions, and some made little money. In addition, some necessary but unprofitable fields, such as product processing industries, feed industries, and pre-production and post-production service industries, are very weak, and in the end, this weakness will affect the development of rural industry. Fifth is the ecological problems brought by rural development. Some production causes rather severe environmental pollution, creating harmful effects on man, plants and animals; some extracting industries destroy water and soil resources, creating severe water and soil erosion; many enterprises lack the necessary labor protection, harming the health of the producers, etc.

Energetically developing rural and township enterprises is our firm, immovable strategic guiding principle. This is one of the features of the Chinese style socialist path for rural development; and it is also at present one of the major links in adjusting the rural industrial structure. Of course, under current conditions, rural and township enterprises will no longer be able to develop the way they did last year and this spring, and need to relax their speed and make certain adjustments.

First, we must adopt countermeasures in accordance with the shrinking funds situation. adjustments.

First, we must adopt countermeasures in accordance with the shrinking funds situation. ng on credit funds, and funds
must be collected by depending mainly on accumulation within the enterprise or among the masses. Even if there is some credit, interest rates will probably be rather high. This change requires enterprises to make necessary adjustments, and to concentrate their strength in maintaining those enterprises with good economic results and which are really necessary; as for enterprises and projects now under construction that have bad economic results or which are not very necessary, some should be halted, and some should have their direction changed by reducing the enterprises' structure to make it suit its funds, energy, raw materials and human talent, and so then develop with steady steps. This will require a great deal of determination and meticulous planning. And if they are reluctant to give up one thing and another, or handle things casually, everything could fall into a passive situation.

Secondly, we must adjust the proportions of various enterprises. In managing enterprises, we must be very careful about economic results, and of course, have to make money. Particularly in areas with very few rural and township enterprises, we must stress making money in order to accumulate funds and develop further. However, we cannot simply pay attention to microeconomic results, but must at the same time pay attention to macroeconomic results, and make microeconomic results match macroeconomic results, for only then will we be able to realize the best economic results. To achieve good macroeconomic results, we most take care to arrange the proportional relationships among various fields in accordance with social needs. Whatever enterprise a certain area develops, they must pay attention to its social needs and to its position

and role in the total social supply and demand of that product. If the market price for a certain product is good for a while, many people will develop it, and as it continues to develop further, supply will become greater than demand, and then, it will no longer be suitable to engage in this enterprise; on the contrary, if a local area or the country as a whole still does not have enough, then they should actively develop it. In areas where rural and township enterprises are rather well developed, then they should pay even more attention to the distribution of various kinds of enterprises, and to developing enterprises where there are shortages. And even if a certain industry does not make much money for a while, or makes none at all, they should still develop it for the good of the overall area. Examples of this are the processing industry for agricultural products, the feed industry, and pre- and post-production service industries.

Third, we must pay attention to internal development. When key elements like funds and energy are insufficient, it is inappropriate to develop extensively, nor is it appropriate to develop more new construction or expansion. Rather, we should strengthen the internal administration and management of our present enterprises, improve production techniques and fully tap the internal potential of the enterprises, and thus raise production to new levels.

Fourth, we must maintain a good ecological environment. In the process of developing rural and township enterprises, we must simultaneously pay attention to economic results, social results and ecological results. By no means must we only pay heed to making money, and so pollute society and harm people's health. We should handle the "three wastes" appropriately, and we should deal with all enterprises that we have received requests to handle and which meet the conditions to be dealt with; and enterprises should be moved to remote areas when they still need to move ahead with production but we still have no means to cope with their problems. Extracting industries should pay attention to maintaining the quality of the water and soil and should take appropriate protective measures. Production which is harmful to human health should have strict protection for laborers. Because our rural economic developmental level and our scientific and education levels are low, it is not easy to solve these ecological problems all at once, but we must face the problems squarely and strive with all our might to improve on them.

Fifth is that rural and township enterprises take various economic forms, and many commune and brigade enterprises have already produced tremendous changes, and private enterprises and new associations have developed very rapidly. This requires a systematic, thorough investigation of the rural and township enterprise situation, and the formulation of relevant policies, laws and regulations. And we should have certain rules for private enterprises and the new associations, in particular, along with necessary provisions for the work of young people taking part in enterprises.

The development of rural and township enterprises is very imbalanced, but adjustment methods should not be arbitrarily uniform. And we should pay particular attention to supporting the fairly rapid development of areas where rural and township enterprises are weak.

12452
CSO: 4007/96

REDUCING PEASANTS' BURDEN DISCUSSED, STRESSED

Beijing BANYUE TAN [SEMI-MONTHLY TALKS] in Chinese No 18, 25 Sep 85 pp 24-26

[Article by a member of the editorial staff]

[Text] The problem of the peasants' heavy burden has already reached a point where it absolutely must be solved!

In recent years, the Central Committee has repeatedly stressed that we must "set items and limit amounts", and reduce the burden of the peasants. But in many places, this problem has not been solved, and in a number of places, they have increased the peasants burden by adding various items, stretching out their hands from all directions and apportioning extra work at every turn, with the amount of the peasants burden becoming ever greater. The village, county, and township add items and some provinces add items, too, even having the impudence to ask peasants to pay money! Rational and irrational items add up to 30 or 40 in some areas, with the average per capita burden being several dozen yuan. And so a lot of things are happening that should not be happening: the collective is forcibly retaining the peasants' funds from grain and cotton sales and relief funds and even compelling peasants to sell-off part of their property to cope with the demands. These mistaken ways of doing things create fierce dissatisfaction among the peasants. They say that everyone is demanding money and that they really can't stand it any more!

In investigating the reason, the crux of the problem lies mainly in the fact that the leadership in many places and departments does not fully feel the pain of the peasants' heavy burden. They overestimate the extent of peasant wealth, and amidst applause for the great achievements accomplished by rural reforms, they become feverish with enthusiasm and amidst mutual competition, they fervently seek to "get going and go all out" and put on airs. The results? They violate the spirit of the party's mass standpoint and of seeking truth from the facts, take without limit and use without cease, and seriously harm the interests of the peasants.

The point to be stressing in reducing the peasants burden is the present trend to got "all out" which is becoming more and more fierce:

"Tossing construction plans back and forth" without cease or rest. The leaders in some places give no heed to the way funds or used or the results, but constantly change their demands, year after year stressing putting a new

face of things and new heights. In laying rediffusion lines, they want wooden poles for a while, and then they want concrete poles for a while; in realigning rivers and roads, Secretary Zhang comes and demands that they run north to south, then Secretary Li comes and demands that they run east to west; in constructing schools, from wanting to "brick," they advance to wanting "corridors," "ponds and gardens," and "arching gateways" . . . tossing their plans back and forth. How can the peasants bear it?

"Premature construction" and being unrealistic. Plainly, local finances have no capacity to bear this, enterprises have not developed to this stage not have the masses any pressing demands in this area, and moreover, they do not wish to compete with outside areas and undertake "regularized" and "modernized" construction. If the city has a television center, then this county feels it has to have a television station and do its own programs. If they do not have that much news, then the reports revolve around the county committee secretary all day; if the city has street signs, then that village feels it has to have them, too, and moreover, wants metal ones, for which it spends a great deal of money. But within a few days, they are ruined by children. What do they think they are doing by this?

"Run risk drip leak" a lot is consumed. There are a lot of "temples," a lot of "Buddhas," and a lot of "strained supplies;" there are a lot of shocking activities, dragging in a lot of people. They have to spend money to get things done, and if they don't have money then they apportion money to the people. And so how can the peasants not spout irritable talk?

Service departments make a little money, taking in excessive fees. One item is compensated service, taking in a lot of fees but giving little service, even to the point of only taking fees but rendering not service; a second item is that they frequently "impose fines," receiving "cash pledges," trying different ways to steal money from the peasant's pockets.

These many irrational burdens affect the production enthusiasm of the peasants which has been stimulated by the party's policies to enrich the peasants, thus impeding the further development of the rural commodity economy, and also affecting the relationship between the party and the peasants and damaging the party's prestige.

How can we really reduce the peasants' burden in a fundamental manner?

First, all levels of leadership must unify their understanding and have a very clear-headed estimate of the rural situation. In recent years, the peasants have really begun to get rich, but certainly have not gotten terribly rich. The majority of villages in China originally had a very poor foundation to start with, and presently, the number of rich households is very few, and the standard of living of peasants of some areas is still quite difficult. The cadres at all levels of leadership should be unequivocal, and must not loss the mass standpoint of the party at any time, nor waver in the party's thought of "enriching the peasants."

In setting up rural public-interest enterprises, it is permissible to go to the peasants to collect funds appropriately, but you must clearly distinguish

between heavy and light, and between pressing or otherwise, and act according to your capability. One thing is that peasants must have money and have the ability; a second is that peasants must be willing and have the demand. What ever public enterprises construct, whether early or late, must be done according to the actual conditions of the locale, based on discussion by the masses, with key points of emphasis, with planning, and concentrating strength to do things. In particular, they must undertake feasibility studies and consider economic results, so that if they do they undertake a matter, they finish it and the masses receive the benefits.

In order to stop irrational burdens, we should formulate a series of policies, systems and regulations. Public enterprises that must be undertook should "set items and limit amounts." Local government should determine a total control figure for the peasants' burden according to differing local economic conditions and the income level of peasants, and formulate differing local breadths of burden and maximum amounts. Through discussion by the township people's congress, the township should join to determine the actual projects and amounts to be borne, set up budget and final account systems with open financial affairs that are supervised, and report at year's end to the township people's congress. When departments want to do something themselves, they may not casually shift the burden to the peasants. The peasants have the right to refuse payment for work apportioned outside the township people's congress's "set items and limited amounts;" and those who force peasants to bear a burden should be dealt with.

The manner of withholding the peasant's burden should be reformed, and they cannot simply divide shares by the field area, but they should divide by the character and use of the specific projects, and must both be rational projects and also handy and easy to implement.

Using improper practices to increase the peasants burden in order to obtain personal benefit must be ruthlessly rooted out. Service departments should carry out superior service at a low cost, and fee standards should be set by legal departments. We must determinedly check the phenomenon of wanton charges and wanton fines, and check illegal, irregular activities such as wilfull squandering, wasting, misappropriating and embezzling the masses withholding.

The Central Committee leadership has pointed out in all earnestness that reducing the peasants' burden is a major issue the concerns long lasting public order and stability. All levels of leadership and all departments must clearly recognize this point, proceed from the party's guiding principle of serving the people with all their might, proceed from the overall situation of rural reform with proper guiding thoughts, and conscientiously examine whether or not their own ideas on the mass standpoint and enriching the peasants are weak; carefully sort things out to see whether or not the local peasants' burden is too heavy, and thereby adopt practical and effective measures and determinedly reduce the peasants' burden.

12452
CSO: 4007/49

INCREASES IN LIVESTOCK PRODUCTION VIEWED

Beijing JINGJI RIBAO in Chinese 2 Oct 85 p 2

[Article by Zheng Xingjie [6774 2502 2638]]

[Text] The nation's animal husbandry production continues to expand on the foundation of last year's overall growth. In the first half of the year, the down turn in hog rearing was reversed, there was continued growth in large animal rearing, and very rapid development in poultry production. By the end of June, there were 322 million hogs in inventory, a 7.1-percent increase over the same period last year; 111 million hogs were removed from inventory, a 6.7 percent increase over the same period last year; and the ration of hogs removed from inventory rose from 34.8 percent to 36.1 percent. By the end of June, the number of large livestock in inventory reached 112 million head, a 5.8-percent increase over the same period last year. Of this, the number of cattle in inventory increased 6.3 percent. Poultry production increased quite rapidly and according to a sample survey of 12 provinces, municipalities and autonomous regions, the number of poultry in inventory in the first half of the year grew 19 percent over the same period last year.

There was fairly rapid growth in the amount of meat, eggs and milk, the main animal products. In the first half of the year, the amount of pork, beef and mutton produced reached 15.3 billion jin, a 15.6-percent increase over the same period last year. Cow's milk production reached two billion jin, a 33.3 percent increase over the same period last year. Commodity egg production continues to grow, and according to a survey, at the end of the first quarter, the number of eggs sold per capita by peasants increased 36 percent over the same period last year.

At present, from the Central Committee down to the local areas, everyone is giving a great deal of attention to animal husbandry, and places everywhere are strengthening leadership, formulating measures, increasing funds and materials, and further implementing policies. We can expect that from here on out, there will be even greater development of animal husbandry.

Animal husbandry certainly must develop comprehensively, but we absolutely must not neglect the hog industry. Pork constitutes over 90 percent of our meat production, and apart from Moslems and other minorities, pork is the primary meat for the Chinese people. And along with grain, oil and cloth, it

forms the four major daily necessities of our people. Starting this year, areas in the countryside everywhere are doing away with assigned purchases for hogs and implementing various management channels, and this is beneficial for peasant hog raising. At present, China still has not developed lean pork, and the ratio of hogs taken out of inventory and the ratio of lean pork are both very low, the production supply of lean pork is only about 30 percent of the about of pork consumed, and a striking contradiction has already been created in China's hog rearing. Consequently, the further development of lean pork has already become the key to the further development of China's animal husbandry, and it is also a pressing demand of the broad masses, We must determinedly reform and energetically create a new situation in the development of lean pork.

12452
CSO: 4007/45

NATIONAL

FEED INDUSTRY PROGRESS REPORTED, REFORMS NOTED

Beijing JINGJI RIBAO in Chinese 2 Oct 85 p 2

[Article by the Feed Industry Office of the State Economic Commission]

[Text] China's feed industry is making steady progress in its reform. The amount of mixed and compound feed produced increased 33 percent between 1982 and 1983, and increased 50 percent between 1983 and 1984, and there has been further development this year. According to incomplete statistics from the 28 provinces, municipalities and autonomous regions, in the first half of the year, the amount of mixed and compound feed produced in the commercial system alone reached 5.15 million tons, an 89 percent increase over the same period last year. Of this, there were three million tons of mixed fertilizer, which was an increase of 116 percent of the same period last year. The rapid development of the feed industry has promoted the development of livestock enterprises. According to a survey of 206 rural collective markets, the volume of business in meat, poultry and eggs increased 43.4 percent over the same period last year; and the per capita amount of poultry eggs sold by peasants increased 36 percent. The diet structure of the people has begun to change. According to a sample survey, in the first half of this year, the amount of grain consumed per capita by the urban population fell from 360 jin to 330 jin.

This year, the new development of the feed industry has the following clear characteristics: one is that leaders at all levels have emphasized it and made it a strategic measure for adjusting the structure of rural industry and for realizing the great goal of quadrupling the output of agriculture and industry by the end of the century; second is that they are vigorously enforcing reform in production management, breaking down ownership boundaries of areas, occupations and departments and motivating the enthusiasm of all level all departments and all sorts of economic elements; third is that they have stressed the study and application of science and technology, the increase of product varieties and have gradually increased quality. Formerly, the feed industry generally only produced hogs, chicken and dairy cattle feed, but now it produces mixed and compound feed for hogs, cattle, sheep, chicken, duck, fish, prawn and other kinds of commercial animals, and all have already been put into mass production. Some products are just now developing seriation production. The amount of mixed feed with a fairly high nutritional standard being produced has doubled over the same period last year; fourth is

that there have been new advances in developing and using feed resources. There have been new breakthroughs, particularly in the development of new sources of protein. Apart from the fairly ample utilization of conventional, oil cakes they are moving ahead in developing the use of fish powder, earthworm powder, blood, bone, meat powder, feed yeast and other feed raw materials that have rather high protein content; fifth is they have strengthened technical service, such as increasing supply network points, promoted superior service, undertaken scientific and technical training, disseminated science and technology and developed a consulting service. We can expect that within the next few years, the burgeoning feed industry will flourish.

12452
CSO: 4007/45

EGG SHORTAGE ANALYZED, SUGGESTIONS MADE

Beijing ZHUANYEHU JINGYING BAO in Chinese 21 Sep 85 p 4

[Article by Shih Xian [4258 6432]]

[Text] In the spring of this year, an oversupply of eggs appeared to varying degrees in Anhui, Shandong, Hebei and other areas. A few large-scale egg producing chicken raisers in some areas even slaughtered chickens, and changed to other fields. Within a short period, raising layers went from being a "hot" field to being a "cold" one.

Once summer began, because the price in pork went up, people ate more eggs than in the spring, and market demand increased sharply, but because chickens had "knocked off work" in the season, the amount of eggs produced dropped. And because of this contradiction between production and sales, the price of eggs again went up, even higher than the level at the same time last year. The price hovered at about 0.30 yuan.

Some of the specialized layer raising households that had changed fields now regretted their decisions, feeling that market changes were unfathomable and were at a loss. And some of the specialized households that are now raising layers are also careful and cautious, and do not dare expand the number that they raise.

Seen from the macroeconomic market, the total national egg output still does not satisfy the people's needs. According to the statistics of related departments, the national annual per capita for poultry eggs is not even 10 jin. Throughout the years we have had the phenomenon of price fluctuations that appeared this year, with low prices in the spring, higher prices in the summer, stable prices in the fall, and then again going up in the winter and starting to fall sharply. And only because in the past we had monopoly purchase and marketing, and the state subsidized the purchase and marketing departments, so changes in the rural trade market, which constitutes only a fairly small proportion of the entire market, were not at all conspicuouss. The price fluctuation is about 0.10 yuan.

Compared to the price of meat, the current price of eggs is still fairly low,and particularly with this year's increase in feed prices raising the cost

of eggs, some people felt that raising chickens brought little profit and also the enthusiasm for raising layers hasn't been great.

Fluctuations in the price of eggs also reflects several problems which should draw our attention to developing layers. One is that under the present circumstances when problems of storage and transportation still have not been solved, we must actively study a scientific method of raising chickens and create an artificial environment, in order to enable chickens to produce eggs in the slack season, increase income and reduce losses. Two is that the connection between production and marketing is an important link in developing egg production, and specialized households should find stable channels for sales and sign production and sales agreements. Third is that we should engage in processing in a thoroughgoing manner, build plants locally, and manufacture canned goods that are easy to store and ship, and in that way we can both solve the difficulty of selling eggs and also increase income. Fourth is that egg producers should have their own feed bases, and several households or even more specialized households can jointly set up a feed plant, and form a systematic association for rearing chickens.

To sum up the above, there is a future in developing egg production and people certainly must not blindly change fields simply because of temporary price changes in one area.

12452
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NATIONAL

DEVELOPMENT, USE OF SOYBEAN PRODUCTS URGED

Beijing RENMIN RIBAO in Chinese 16 Oct 85 p 5

[Article by Bao Guangqian [7637 0342 0467]]

[Text] The protein content of soybeans is nearly 40 percent, three times greater than that of wheat, and four times greater than either corn or paddy rice. Seen from protein content, one jin of soybeans is equivalent to 2 jin of lean beef or 12 jin of cow's milk.

China is one of the world's major soybean producing countries. It has cultivated soybeans throughout the ages,and it has full varietal resources and broad prospects for developing soybean food products. Viewed from our present circumstances, we must strive in the following areas:

First, we must have a planned transformation and buy and install soybean processing facilities. All along, China's production of soy products has followed handmade methods, even to the point of never having created plant production, so processing capacity is low and soybean sources cannot be fully utilized. Consequently, we should get control of soybean foodstuff processing, and adopt advanced equipment and technology as much as possible. For example, when soybeans are used to press oil, we should not use high temperature processing, so as not to change the quality of the protein and make it inedible; adopt a steam method to produce soybean protein, and to get rid of the anti-nutrient components in soybeans such astrypsin inhibitors, while retaining their beneficial components. Recently, Japanese researchers have invented a new technique for producing soybean powder, and the soybean powder produced does not have a fishy flavor, or contain anti-nutrient components; it is smooth and fine, has a lovely aroma, and can be stored for a long time.

Secondly, we must increase the production of our original soybean foodstuffs, and expand consumption. The Chinese people have a very long history of making soybean foodstuffs, but the quantity produced far from satisfies the needs of the masses, and so we should increase production.

Third is that we should energetically develop new varieties of soybean products. We should pay attention to creating new items on the foundation of our traditional soybean products. For example, after slicing and flavoring

dry bean curd, some Beijing plants also deep fry, stew, smoke, deep fry and stew, and deep fry and stir fry, making nearly one hundred varieties of soybean products; Japan uses soybean milk to make soybean milk ice cream, soybean milk yoghurt, soybean milk bread, soybean milk pastries, etc. Soy milk is a nutritious beverage based of traditional soybean milk, uses plant production and can compare favorably with cow's milk in nutrient value, color, flavor and aroma. In 1975, the amount of soy milk produced in Japan was only 4,000 tons, but in 1982, it had already increased to 80,000 tons. The varieties of soy milk include fresh soy milk, fruit juice soy milk, malt soy milk, etc. And recently, they have developed ice cream, sweets and bread made with soy milk instead of cow's milk.

Abroad they take concentrated soybean protein or separated soybean protein made from pressed, defatted soybean flakes, eliminate the anti-nutrient components in soybeans and also retain the beneficial components of soybeans, and use them as additives in meat products or in fast foods. This can increase the amount blended into meat fillings, stewed meats, poultry, fish and other foods. We can draw lessons from these foods in moving ahead with the development of new soybean products.

12452
CSO: 4007/46

CHANGES, TRENDS IN TEXTILE INDUSTRY VIEWED

Shanghai WENHUI BAO in Chinese 4 Oct 85 p 1

[Text] There have been rather major changes in textiles demand in China, producing a new trend of increased demand for pure cotton, a stable demand for cotton-polyester blend, and a short supply of woolens. This change was reflected in the national supply of textiles in the later half of the year.

Increased demand for pure cotton: the volume of supply of pure cotton cloth was 236.43 million meters, and its proportion of sales within the six types of textiles rose. And supply does not meet demand for velveteen, durable woolens, ornamental cloth, or sheeting.

Stable demand for cotton-polyester blend: cotton-polyester blend is the primary outer material for the masses' clothing, and as far as supplies are concerned, although there have been increases in the sales of cotton-polyester blend, the sales trend is stable.

Shortage of woolens: in supply, there are few styles and colors, and a small volume. The volume in the three producing areas of Beijing, Tianjin and Shanghai did not even reach one million meters. The amount purchased commercially in some producing areas was only 5 percent of the amount produced. A major reason is because of raw material shortages and the fact that industry has expanded the amount it sells itself.

There has been rather rapid development of the production of medium-long fibers and ample sources of goods, and seen from the supply, we now have "not enough of two" and a "surplus of two." That is, there is not enough imitation wool material for western-style clothing or broad medium-long fiber material; and there is a surplus of regular material and narrow material. The demand for medium-long fiber textiles will shift from the matter of quantity to the matter of design, color and variety, and according to estimates, if plants are able to promote new varieties of imitation wool cloth for western-style clothing, there will be a new pickup in the sales of medium-long fiber textiles.

12452
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NATIONAL

COTTON COMMODITY BASES ESTABLISHED TO ENSURE QUALITY, AID

Beijing JINGJI RIBAO in Chinese 2 Oct 85 p 2

[Article by Tian Jijin [3944 4480 6855]]

[Text] In the period of the Seventh 5-Year Plan, the state and local areas will jointly set up a number of high quality cotton base counties to further raise the quality of cotton and satisfy the needs of domestic and foreign markets. In the early part of September, the Ministry of Agriculture, Animal Husbandry and Fishery discussed methods for the preliminary implementation with the related provinces and autonomous regions.

Since 1979, China has had six successive years of bumper cotton harvests. In 1984, the total national cotton output was over 120 million jin, more than double that of 1978, making it first in the world, and China has already changed from being a cotton importing nation to a cotton exporting nation. In order to further raise cotton quality, even more rationally adjust the structure of cotton varieties, and meet the needs of the domestic and foreign markets, the state decided to gradually set up a number of superior cotton base counties during the period of the Seventh 5-Year Plan, and they have initially selected 22 counties in Shandong, Hebei, Henan, Jiangsu, Hubei, Anhui, Shanxi and Xinjiang (including two farms of production and construction corps in Xinjiang) as the first experimental units, and further units will be selected next year and the year after that.

The selection criteria for the first group of base counties was that they have fairly good natural conditions, fairly strong leadership and technical capacity, and a certain foundation in breeding superior varieties of cotton, ginning cotton and storing and which can produce striking economic results within a short period.

The state requested that the first groups of base counties cultivate 20 million mu of superior cotton selectively bred within the country and introduced from abroad, that they produce 20 million dan of superior cotton, and supply 300 million jin of superior cotton seeds in order to spur on the further raising of cotton quality throughout the nation.

12452
CSO: 4007/45

BRIEFS

AREA SOWN TO GRAIN DECREASES--At present, four problems have been exposed in the nation's grain production and should have our serious attention. One is that the area sown to grain is decreasing. This year, there were decreases of varying degrees in all of the nation's major grain producing provinces, and it is estimated that there will be a decrease of over 50 million mu in the nation. Second is that there appears to be a declining trend in the growth rate for total grain output and in the growth rate for the average per-mu yield. Third is that the number of people in the countryside growing grain is gradually declining, and a considerable part of the labor in the fields is female, old or feeble. In some areas there is a lot of grass in the grain fields, with little fertilizer or water, and in the worst cases, the fields have gone out of cultivation. In the first quarter of the year, the amount of chemical fertilizer fell nearly 30 percent over the same period last year. There are many aspects to the problems in production, but the most obvious shows that people are not giving enough attention to the grain problem and feel that the nation's grain problem is already solved. Actually, by no means does China have enough grain, and last year the grain per capita was only 786 jin, barely reaching the world's per capita average. Grain processing and transforming work, along with comprehensive exploitation and utilization, have far from been developed. [Text] [Guangzhou GUANGDONG NONGMIN BAO in Chinese 2 Oct 85 p 4] 12452

CSO: 4007/47

BRIEFS

ANHUI SPRING AFFORESTATION--Anhui Province afforested 595,000 mu of tracts of land by 10 March. This accounts for over 39 percent of the 1.52 million mu targeted by the province for this spring and represents a 26 percent increase as compared with the same 1985 period. At the same time, 120 million trees were planted near homes, in villages, and along roads and rivers, or more than double the number envisioned. [Summary] [Hefei Anhui Provincial Service in Mandarin 1100 GMT 12 Mar 86 OW] /12858

CSO: 4007/349

BEIJING

FISH SUPPLY, DEMAND SITUATION REPORTED

New Production High Achieved

Beijing JINGJI RIBAO in Chinese 2 Oct 85 p 2

[Article by Xing Xiantao [1630 0103 2711]]

[Text] This year Beijing's production of fresh-water fish will surpass 3 billion jin for the first time, thus playing a definite role in satisfying the capital's fish supply and in invigorating the market.

For many years, Beijing's aquatic product supply depended primarily of things brought in from outside districts, but in recent years, the entire city has energetically developed fresh water aquatic culture in order to allow the people of the capital to be able to eat fresh, live fish, and all levels of leadership in the municipality, prefecture (county) have broadly strengthened their guidance of aquatic production work and achieved very striking results in a very short period.

Due to the heightened level of feed technology and proper management, it is estimated that the amount of adult fresh fish produced this year will reach over 30 million jin, surpassing the original plan by 20 percent, which will be a increase of nearly one billion jin, or 48.5 percent, over last year. Of this, the increased production from expanding the fish breeding water surface was about five million jin. In addition, high production models appeared, such as Nandingfu Village of Pinggu County, which dig new fish ponds and raised 1,000 jin per mu of fish that same year.

In order to promote and ensure the development of fish cultivation, this year Beijing Municipality got good control of raising fish fry and fingerlings, and the number of fingerlings with a higher standard than last year's is expected to reach 100 million, and of them, the number of fingerlings over four inches will double over the number last year.

The reason why fish production in Beijing's suburbs will achieve quite good results this year is because, one, leadership at the municipal, prefectural and county level got a good, solid handle on fish cultivation. At the same time, they broadly implemented the responsibility system and motivated the

enthusiasm of the masses. Two is that the suburban prefectures firmly maintained the guiding thought of making ponds the main thing in fish production, and this year it is expected that they will raise 26.45 million jin of adult fish, or 88.2 percent of total production, and an increase of 65.4 percent over pond production last year. Third is that the level of cultivation and management has risen, they are skillfully and carefully raising fish and have also hired technical workers to guide production. And in the first half of the year, the person-time for rural fish culture technical personal training in rotation reached 5,000. Fourth is that grassroots management has been strengthened somewhat.

Aquatic Product Production Estimated

Beijing NONGMIN RIBAO in Chinese 22 Aug 85 p 2

[Article by Li Xuemin [2621 1331 3046]]

[Text] I. Freshwater Fish Cultivation and Production in the Beijing Suburbs

1. The water surface area for fish raising ponds has been expanded. This year, the total area for fish raising ponds in the Beijing suburbs is 68,000 mu, an increase of 18,000 mu, or 36 percent, over last year.

2. There has been an increase in the number of fingerlings set out, This year the average per-mu number of fingerlings set out in the municipality's ponds was 750, an increase of about 100, or 13.3 percent, over last year.

3. The proportion of superior quality fish set out has risen. the proportion of superior quality fingerlings increased from 20 percent last year to about 35 percent this year.

4. Immature fish are doing very well. According to an investigation at the end of June, about 70 percent of the fish weighted about 6 liang, and those doing about average or a little poorer than that accounted for only 30 percent.

5. Ample number of fingerlings are being produced. By the end of the year, the entire municipality can raise 120 million fingerlings, an increase of 38 million over last year, and will be able to prepare ample fingerlings for next year's fishery production.

According to statistics from the General Municipal Aquatic Company, this year the suburb counties (prefectures) have a good grip on completing their plan of 25 million jin of fresh fish, and have hopes of meeting the goal of 30 million jin.

II. The Purchase and Marketing Situation for Aquatic Products

In the first half of the year, purchases and sales in the aquatic product market were brisk, and between January and June, they bought up 34 million jin

of fish, completing 34 percent of the year's plan; they sold 50 million jin of various kinds of fish, completing 50 percent of the year's plan.

In the latter half of the year, the market for aquatic products will be as follows: beginning in August, they will put 5 million jin on the market each month, 10 million jin on National Day, 4 million for special needs, and they are preparing a supply of 15 million jin for New Year's, all of which totals 62 million jin. Statistics for the end of July showed that only 10 million jin of fish are stored in the city, showing a rather large supply shortage. And so the municipal aquatic product supply and marketing companies, on the one hand, are preparing to go negotiate a purchase price for 20 million jin in producing area, and are also actively organizing the purchase of fresh water fish from the city. On the other hand, they are striving to get the support of the State Planing Commission and the Ministry of Agriculture, Animal Husbandry and Fishery in order to exchange kerosene and other materials for aquatic products.

III. Remaining Problems

1. Supplies are not fixed. Supplies that depend on the exchange of goods are not stable, such as the agreement with Guangdong to exchange seven tons of kerosene for one ton of fish, but in the first period, due to problems in the kerosene supply, Guangdong attained its oil quota and did not put out their goods, and immediately stopped supplying fish to Beijing.

2. The purchase price for ocean fish rose steeply. Because of the amount of ocean fish caught is decreasing daily, the purchase price is constantly going up. According to a purchasing agent, the purchase price for a emperor fish over seven liang in the production area is 3.5 yuan per jin, and calculating from that, the retail price would be close to four yuan per jin. We can see that there will be fewer ocean fish on the market, and these will be at a high price.

3. There is anxiety about fresh fish in the home market being shipped out. After prices were liberalized, fish products were permitted to be circulated through various channels. But in order to get high profits, some fish farms and specialized fish raising households did not conscientiously carry out their purchase agreements but took their biggest and best fish and sold them in outside areas, and this outflow of fresh fish is no help at all in alleviating the fish shortage of the capital's residents.

12452
CSO: 4007/45

BRIEFS

AFFORESTATION RESULTS--During the Sixth 5-Year Plan period, Fujian afforested an average of 4 million mu area of land each year with a survival rate upwards of 80 percent. Reckless felling has been basically stopped and forest fire prevention has been quite successful. Now the lumber consumption rate no longer exceeds the forest growth rate. [Summary] [Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 14 Mar 86 OW] /12858

FUJIAN AGRICULTURAL LOANS--Fujian's rural credit cooperatives have extended loans to support spring farming. By February, such loans had totaled 279 million yuan, including 160 million extended to individual peasants, 17 million to collectives, and 86 million to enterprises run by communes, production brigades, and teams. It is expected that loans extended this year in support of spring farming will exceed last year's record by 20 percent. [Summary] [Fujian Fujian Provincial Service in Mandarin 1130 GMT 23 Mar 86 OW] /12858

GRAIN PURCHASE CONTRACTS--By 10 March, over 300,000 peasant households in Fujian had signed contracts with departments concerned on the purchase of 2.2 billion jin of grain, which constitutes 88 percent of Fujian's grain purchase task for this year. [Excerpt] [Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 25 Mar 86 OW] /12858

CSO: 4007/349

GUANGDONG LAND MANAGEMENT CONFERENCE ENDS 24 MARCH

HK290025 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 24 Mar 86

[Text] The 4-day provincial conference on land management concluded today. Many representatives attending the conference reported the phenomenon of indiscriminately occupying and using arable land. They said: It is time to solve the problems of land management. If indiscriminate occupation and use of arable land is allowed to continuously develop, it will bring about evil consequences to national construction and people's livelihood and leave a legacy of trouble to our future generations. Our province has a small territory and large population. In the initial period of liberation, each person had an average of 1 and 1/2 mu of arable land, which was one-half of the national average level. Over the past few years, due to lack of control over the land used for urban construction, building peasants' houses, and township enterprises, the phenomenon of indiscriminately occupying and using arable land has generally occurred. In the 5 years from 1979 to 1984, the land used in nonagricultural construction reached some 2 million mu, this reducing per capita arable land to 7 fen 6 li or so. At present, this phenomenon in some places is becoming more serious, aggravating the contradiction between small territory and large population in our province.

With a view to guaranteeing the continuous, steady, and coordinated development of the national economy, the conference decided to take effective measures to quickly curb the unhealthy trend of indiscriminately occupying and using arable land. The conference demanded: All cities and counties must completely and thoroughly deal with the cases of occupying arable land which have occurred since 1983. Those who are occupying or are preparing to occupy arable land for construction must stop doing so. Those who unlawfully occupied arable land in the past must go through formalities in accordance with the state regulations if they are required to do so. Those who unlawfully occupied arable land in the past must be fined if such a fine should be levied. The arable land which was unlawfully occupied in the past must be confiscated if necessary. Those who unlawfully occupied arable land in the past must be punished if punishment should be meted out to them. Those cadres who take advantage of their powers to seek personal gain or take the lead in and support the unlawful occupation of land must be severely dealt with.

The conference also demanded that all prefectures and cities step up the organization and establishment of the land organs and take comprehensive measures to strengthen land management.

This conference was held by the provincial government. Vice Governor Ling Botang attended the conference.

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CSO: 4007/350

BRIEFS

GUANGDONG PEASANT INCOMES--Last year average peasant incomes exceeded 500 yuan in 35 counties, county-level cities, and county-level suburban districts in Guangdong. The average income exceeded 1,000 yuan in Huangpu district of Guangzhou City, the Guangzhou outskirts, Shiwan district of Foshan City, Nanhai County, and Luohu, Shatoujiao, and Shangbu districts of Shenzhen City. The highest figure for the province was recorded in Luohu district of Shenzhen, where the average income was 1,618 yuan. The average in Nanhai County was 1,029 yuan, which was the highest figure for any county in the province. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 5 Apr 86 HK] /12858

GUANGDONG GRAIN REDUCTION ORDERED--To carry out the arrangements of the CPC Central Committee and State Council for rural work this year and to protect and encourage the peasants' enthusiasm for production and sale of grain, the provincial government has recently decided that on the basis of the 1985 quota of 4.82 billion jin, our province's 1986 quota for grain ordered by contract should be reduced by 100 million jin. The provincial government has demanded: All cities, prefectures, and counties must map out the reduced quota down to the households and do their work meticulously and well. They must not take and retain part of the grain or use it for other purposes. [Text] [Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 28 Mar 86 HK] /12858

CSO: 4007/351

DECLINE IN MULTIPLE CROP INDEX ANALYZED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 8, Aug 85 p 7

[Article by Wang Weizhang [3769 0251 3361] of the Guangxi Autonomous Region Planning Commission]

[Text] Guangxi is situated in the tropics, with abundant natural resources such as luminous energy, warmth and rain, and in most years there are between 1,600-1,800 hours of sunshine, and the average annual temperature ranges from 16 degrees Centigrade in the north to 23 degrees Centigrade in the south; in the north and central part of the region, there are 10-11 frostfree months, and the south is basically frostfree; the annual rainfall in most places is between 1,250 to 1,750 millimeters, and moreover, rain and warmth are both in the same seasons. This supplies amply beneficial conditions for raising the multiple crop index.

In 1952, the multiple crop index for agricultural crops was 146.1 percent (the national average was 130.9 percent), and by 1978, it had gradually increased to 208.8 percent (the national average was 151 percent). But after that, there was a gradually yearly decline, and by 1984, its had fallen to 175.3 percent (the national average was 146 percent). The declining multiple crop index for the past seven years is as follows:

Year	1978	1979	1980	1981	1982	1983	1984
Multiple crop index	208.8	194.2	185.0	183.0	183.0	177.0	175.3

Compared to the provinces of Guangdong, Hunan, Jiangxi, Fujian, Zhejiang, Jiangsu and Sichuan, the 1983 multiple crop index for Guangxi was far lower. For details, see the following:

Province	Guangxi	Guangdong	Hunan	Hubei	Jiangxi	Fujian	Zhejiang	Jiangsu	Sichuan
Multiple crop index	177	200	228	200	229	189	252	184	181

The main reason for the decline in Guangxi's multiple crop index is that the autumn and winter crop area (including green manure) has been greatly reduced. According to statistics, in 1978 the total autumn and winter area for the region was 9.41 million mu, which was 12.2 percent of the total cultivated area, and in 1984, the autumn and winter area was only 3.214 million mu, which was 4.6 percent of the total cultivated area, a reduction of 6.196 million mu or 65.8 percent.

This large reduction in autumn and winter crop area means that for the whole autumn and winter season, we do not make full use of our luminous energy and the soil fertility that can be supplied, and so incur losses. According to the experience of Beiliu and other counties with a very high per-mu yield at present on their cultivated crop land, the autumn and winter cultivated area can be one-third of the cultivated land. If the entire province's autumn and winter area were raised to one-third of the total cultivated area, and adding the spring and summer cultivated area, then the multiple crop index could rise from the present 175.3 percent to over 200 percent. In this way, essentially, we can enable Guangxi's multiple crop index to return to the current average index of those provinces south of the Chang Jiang. Viewed from Guangxi's beneficial natural resources and labor resources, this should be achievable. I suggest that it it be treated as a strategic plan.

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CSO: 4007/47

GUIZHOU VICE GOVERNOR URGES BETTER LAND MANAGEMENT

HK080935 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 4 Apr 86

[Text] At a provincial land management work conference which ended 3 April, Zhang Shukui, standing committee member of the Provincial CPC Committee and Provincial Vice Governor, called on land management departments at all levels to take effective measures to strengthen land management and curb indiscriminate occupation and use of arable land.

Zhang Shukui pointed out that indiscriminate occupation and use of arable land is becoming more and more serious in the province. Land buying and selling occurred time and again. Some areas have illegally occupied good arable land to develop construction. In requisitioning land for urban and rural construction, some areas acted upon individual instructions instead of law; some leaders overstepped the bounds of their power to approve requisitioning and use of arable land; some areas requisitioned more land than they needed, and some areas used land before land requistion approval. All these violated land rules and regulations. This merits serious attention by governments at all levels.

Zhang Shukui said that Guizhou is a grain-deficient province, with the per capita land area less than one mu. If we do not treasure arable land, it will lead to bad consequences. The idea of setting enlivening the economy against implementing the national policy on land management, and the idea of setting reform against land management in accordance with law are all wrong. Government at each level must appoint a responsible comrade in charge of land management. Land management departments at all levels must seize the opportunity to examine and check non-agricultural land. Administrative organs and leaders who sought private interest by taking advantage of their power and took the lead in supporting illegal occupation of arable land must examine their mistakes on their own, conscientiously correct the mistakes, submit themselves for disposal by the relevant departments, and never make the mistake again. The relevant departments must not tolerate those units and people who fail to submit themselves for disposal.

Vice Governor Zhang Shukui pointed out that in the future, the power for examining and approving the use of non-agricultural land must be strictly defined. All construction must correspond with the principle of being

economical and reasonable so as to increase the utilization ratio of land. Requisition of land for national construction must be handled by county people's governments. Units which use land are not allowed to negotiate prices with the units whose land is requisitioned.

In conclusion, the vice governor said that leaders at all levels must: Pay serious attention to propagating land rules and regulations; use all propaganda means to conduct in-depth and extensive propaganda and education among cadres and the masses; foster the social practice of glory to those who treasure land and shame to those who waste land; rely on cadres and the masses to bring into full play the functional role of land management departments; and properly manage and use land in the province.

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CSO: 4007/350

BRIEFS

GRAIN OUTPUT IMPROVED--Guiyang, April 7 (XINHUA)--Agricultural technicians in grain-deficient Guizhou province have helped peasants improve 10,000 hectares of low-yielding fields since 1983, according to local authorities. The fields gave a total grain output of 62,500 tons last year, 27,500 tons more than in 1982. About 80 percent of the 1.9 million hectares of farmland in Guizhou give a per-hectare yield below 3.75 tons a year. The province picked research into this problem as a key item in the Sixth Five-Year Plan (1980-85). A total of 1,280 technicians went into hilly areas to demonstrate the new techniques and instruct the peasants. The technology included application of green manure, improvement of drainage facilities, use of fine seeds, and growing crops under plastic sheeting. They trained 14,400 peasant technicians and ran 152 training courses for 91,500 farmers. [Text] [Beijing XINHUA in English 1215 GMT 7 Apr 86 OW] /12858

GUIZHOU FARMLAND IMPROVEMENT--Gyiyang, 27 Mar (XINHUA)--During the Sixth 5-Year Plan, Guizhou Province dispatched scientific and technological personnel to 23 counties to guide the work of improving the productivity of 150,000 mu of medium- and low-yield fields. Statistics shows that the total grain output from these fields for the 3 years from 1983 to 1985 was 113 million jin higher than their usual output. The increased income, after deduction of the amount of investment made in this project, gave a net benefit of 8.3 million yuan. Methods used to increase land productivity included growing green manure crops and applying fast-effect fertilizers to increase land fertility, as well as the popularization of improved crop strains and rational close planting. [Summary] [Beijing XINHUA Domestic Service in Chinese 0755 GMT 27 Mar 86 OW] /12858

CSO: 4007/349

PROVINCIAL GOVERNMENT 'ANNOUNCEMENTS' SEEK TO AID PEASANTS

Reduce Burden on Peasants

Shijiazhuang HEBEI RIBAO in Chinese 19 Nov 85 p 1

[Article: "Show Concern for the Peasants' Interests; Reduce Their Burden"]

[Text] Recently, the provincial people's government, based on the spirit of instructions from the Party Central Committee and the State Council, has discussed the formulation of ten regulations concerning the prohibition of unapproved assignment of payments and collection of fees from peasants, issued in the form of an announcement to every village. The provincial Central Committee and government jointly issued a circular on how to implement the spirit of the "Anouncement," calling on every locality to take vigorous measures, strive to prohibit every form of requisition and earnestly solve the problem of the excessive burden on peasants, in order to protect the initiative of the broad mass of peasants and consolidate and develop the fine rural situation.

The "Announcement" issued by the provincial government rules that all public undertakings, run by governments at the county level and above and all departments, should be entered into the plan and implemented after passing review by that level of People's Congress; it is not allowed to act independently in assigning any form of payment to peasants. Funds needed for operating rural public institutions will be collected jointly by townships (small towns) and villages, the amount will be limited, it will be entered into the township financial budget plan, and a preliminary final budget system and financial monitoring system will be established. Reduce the number of rural cadres and other non-production personnel. In gathering funds for rural education, conscientiously carry out "Supplementary Trial Methods for Collecting Funds for Middle and Primary School Education in the Countryside of Hebei." Militia training is limited to training assignments from the Hebei Military Region.

In regard to the burden on peasants, the announcement stipulates that no department or unit, except governments at the county level or above with clearly stated regulations, can charge peasants management fees, handling charges or other fees. When national administrative departments and institutional departments provide peasants with economic, technical and

other services and must charge for certain items, the level must be reasonable and not intended to make a profit; peasants must never be forced to accept it. Each related department and enterprise and institutional units must strictly carry out the national price policy. All public welfare activities run by villages must adhere to the principles of voluntary participation and democratic decisionmaking. "Fund collection," "assistance" and "donation" activities must be approved by governments above the county level; it is not allowed to assign responsibilities to peasants.

The "Announcement" further stipulates that whenever regulations and methods concerning the burden on peasants, previously issued by various levels and departments, contradict the provincial government's "Announcement," the "Announcement" should be followed.

After listing the serious harm wrought by the excessive burden on peasants, the joint circular of the provincial Central Committee and provincial government stated that the excessive burden on peasants comes primarily from the top, and township and village cadres should not be faulted. The fundamental reason is that leading comrades at various levels do not experience personally the pain of this problem, and they do not understand the problem, at a higher level, as being the relationship between the Party and the peasants. The circular calls on the Party organization in each level of leading departments to regard this matter as an important element of Party rectification and the correction of improper tendencies. We must preserve discipline, take the entire situation into account and maintain the interests of the masses. In order to fully implement the "Announcement" and as quickly as possible see results, party committees and governments at each level and the main leading comrades of each department should personally take charge and see the work to completion. While preventing unapproved requisitions from peasants, the provincial Central Committee and government also issued a ten-point regulation continuing the correction and prevention of unapproved requisitions from enterprises, and calling on the Party's discipline inspection departments and every level of financial, banking and auditing departments to strengthen monitoring and inspection, persisting to correct and prevent unapproved requisitions from enterprises, unapproved fund collections, and unapproved fines, behavior which is in contravention of national policy and regulation.

Lightening Peasant Burden Affirmed

Shijiazhuang HEBEI RIBAO in Chinese 19 Nov 85 p 1

[Editorial: "Conscientiously Reduce the Peasants' Burden"]

[Text] The "Announcement" recently issued by the provincial government concerning the prohibition of unapproved requisitions and fee-charging from peasants and the joint circular issued by the provincial Central Committee and government are important documents for the concrete implementation of the spirit of the "Circular Concerning the Prohibition of Unapproved Requisitions and Fee-charging from Peasants' from the CPC Central Committee

and the State Council. With leading comrades personally taking the lead, departments everywhere should take effective measures and vigorously implement it point by point, according to the regulations in the "Announcement." Not only should the announcement quickly be posted in villages, it should also be propagated among the masses, stopping as soon as possible various kinds of unapproved requisitions and fee-charging, conscientiously reducing unreasonable impositions on peasants, further propelling the reform of the rural economic system, and consolidating and developing the fine situation in the countryside.

To implement the "Announcement" regulations and the spirit of the circular, we must first unify our ideological awareness, fully recognizing the seriousness and danger of the excessive burdens on peasants. In the past few years, the Party Central Committee and State Council have again and again demanded a reduction in the peasants' burden, and last year the provincial government promulgated "Several Trial Regulations On Reducing the Peasants' Burden." However, in most places in Hebei the peasants' burden still has not been lightened. The peasants, in addition to paying taxes according to law and turning over necessary collective obligations, must also pay a vast array of assigned fees. In many places, they want to do everything on a big scale, and whatever they do, they want peasants to pay up. Peasants have hands stuck in front of them everywhere they turn, demanding far more than the peasants can handle. Besides this, disguised burdens such as unapproved requisitions, fee-charging, fines, fund-drives and price-jumps are imposed upon peasants; these excessive impositions on peasants make production and everyday life difficult for some peasants, and leave no time for rest and rejuvenation in some poor areas and poor households. In order to fulfill the responsibilities assigned them, some villages are forced to draw on the collective savings from many years. Because many charges are levied according to land, this greatly increases the expenses of some peasants working the land and dampens their enthusiasm. When there are too many different non-production requisitions, the peasants do not have energy to work on the agricultural capital construction and the basic facilities for commodity production so urgently needed in the countryside, delaying the peasants' achievement of prosperity. Grassroots cadres exert considerable energy collecting requisitioned sums, and this also damages the feelings between the masses and cadres. We should note that the fundamental reason for the failure to stop these pervasive unapproved requisitions from peasants is that some leading comrades have not recognized this problem, at the higher level, as being the relationship between the Party and government and the peasants. On the contrary, some comrades think the peasants are starting to become prosperous, and it does not matter if we extract a bit more from them. We should conscientiously study the relevant instructions from the Central Committee and State Council, get a firm hold on reality, learn the lessons of history, and thoroughly recognize that reducing the peasants' burden is a major matter affecting the country's long-term tranquility at its very root; we should maintain discipline, take the entire situation into account, firmly establish the attitude that in every matter we must first consider the interests of the masses, and treasure highly the hard-earned fruits of reform.

If we wish to lighten the peasants' burden, we must keep to the principles of doing what we are capable of and keeping expenditures within income. Any public undertaking set up in villages must proceed from reality, considering both what is necessary and what is possible. We cannot avoid the conditions of reality and give peasants more than they can bear. We simply cannot overestimate the extent of wealth among peasants and press them to do things of which, for the time, they are still incapable. It is even worse to over-generalize or try to solve everything in the same way. Of the things peasants currently cannot do, they should be slowed down; the peasants' burden should be brought within the limits decreed by the state. Even for things which the peasants are capable of performing, we should still respect the will of the masses and continue to be hardworking and economical, use money well and achieve the best economic results. We should everywhere establish and perfect township finances according to the regulations in the "Announcement." Expenses required to set up rural undertakings benefitting the public should be collected jointly by townships and villages, collecting set amounts for specific projects which are entered into the financial budget plans; systems for preliminary final accounts and financial monitoring should be set up. No department, unit or individual can make requisitions unless they are part of the budget. Peasants have the right to refuse to pay requisitions exceeding the limit.

The key to implementing the spirit of the "Announcement" regulations and the circular and lightening the peasants' burden lies in the leaders paying great attention to the problem. Principal leading comrades at every level of Party committee and government and in every department should take the lead and put emphasis on putting things in order, on the system and on inspection, achieving results as soon as possible. They should refer to the relevant documents from the Party Central Committee and the State Council and the provincial government's "Announcement" and make a conscientious evaluation of current regulations and methods affecting the peasants' burden, sorting out item by item each requisition and charge starting this year. Those requisitions from peasants which should not have been made must certainly be eliminated and impositions greater than the peasants can bear should certainly be reduced.

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CSO: 4007/163

RICE SPECIALIST URGES DEVELOPMENT OF SUPERIOR VARIETIES

Shijiazhuang HEBEI RIBAO in Chinese 19 Nov 85 p 2

[Article by Xin Dexiang [6580 1795 4382]: "Develop Production of Famous, Special and High-quality Varieties of Rice in Hebei; Suggested by Su Yanzhang, Rice Specialist at the Hebei Agricultural Technology General Extension Station and Associate Agronomist"]

[Text] In speaking with reporters, Su Yanzhang [5685 5888 4545] stated that in adjusting the mix of crops, Hebei should develop production of tasty, delicious, and high-protein famous, special and high-quality rice which also is very fragrant or has medicinal value, such as scented rice, dark rice and Zonghua No 8 and No 9 and Qiuguang, which have long been famous near and far.

He stated: these varieties are treasures among rice resources, and are in great demand on the international market. Hebei surrounds Beijing and Tianjin, possesses many famous tourist attractions, and there is a ready market for famous and special rice. At present the masses also "want to eat round-grained rice, welcome glutinous rice, and enjoy scented rice." If we add scented rice as flavoring to the currently eaten, poorer quality long-grained rice, hybrid rice and Qin'ai upland rice, in a ratio of 1:9, the steamed rice would taste delicious and have good texture. As for high-quality rice, as far as is known, just the high-class hotels and a few units with special needs in Beijing need a special supply of rice of roughly more than 10 million jin annually, but Beijing Municipality only has the ability to provide 3 million jin. Because of its proximity, Hebei could provide this; each jin of specially supplied rice is .09 yuan greater in value.

He stated: developing production of famous, special and high-quality rice should proceed from the real situation in Hebei, suit itself to local conditions and orient itself toward Beijing and Tianjin. At the same time, we should actively create the conditions for opening up the international market. Sales should determine production by proceeding in step with the steady growth of total grain production and maintaining output quality. For 1986 Hebei has arranged for the cultivation of 1,000 mu of dark rice, 10,000 mu of scented rice and 300,000 mu of high-quality rice. In following years the acreage will be gradually increased. We should concentrate on building bases for the production of famous, special and high-quality rice; these bases

include commodity production, improved variety propagation and commodity marketing. We should also gradually form localized and specialized production. In Qinhuangdao and Chengde, for example, we can build a production and marketing base for one crop per year of famous and special rice, in Wangdu, Wanxian, Zhengding and Pingshan we could build a wheat and famous and special rice production base; in the two cities of Tangshan and Qinhuangdao we can establish high-quality rice production bases.

He stated: famous, special and high-quality rice should receive high prices commensurate with their quality, and purchasing service work should be strengthened. Agricultural departments should enter the circulation field; based on actual market needs, they should sign contracts with peasants, thus directly linking production with demand. In order to invigorate the production of famous, special and high-quality rice, we should also actively develop new goods made from famous, special and high-quality rice. For example, we could process finished scented rice grains, scented rice flour, scented rice balls, scented rice cakes, canned scented rice and scented rice wine, each using different proportions.

Su Yanzhang stated: developing production of famous, special and high-quality rice requires strengthened leadership. He suggested that first the provincial agriculture department should establish a leadership committee for developing famous, special and high-quality rice; at the same time, scientific research, grain, price and foreign trade departments should actively cooperate, promoting the production of famous, special and high-quality rice in Hebei.

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CSO: 4007/163

BRIEFS

TRAINING PROGRAMS FOR HEBEI PEASANTS--Shijiazhuang, March 30 (XINHUA)--More than 760,000 peasants have received training in scientific farming and animal husbandry over the past four years in mountain areas in north China's Hebei province. Provincial officials said here today they have played a vital role in stimulating the local economy. Thanks to the rural training program, Shahe county in the mountains has more than doubled its annual output of fruits in the past four years, the officials said. The training was given by agricultural college teachers and technical service teams organized by the locality. And the skills were spread among the peasants through demonstration households, the officials said. [Text] [Beijing XINHUA in English 0850 GMT 30 Mar 86 OW] /12858

FERTILIZER PRODUCTION--This year, fertilizer production appears to be good in Hebei. At the beginning of January, 72 small nitrogen fertilizer plants began production in Hebei, an increase of 24 over December of last year; 63,661 tons of synthetic ammonia were produced, a 12 percent increase over the beginning of December. Large and medium-sized enterprises increased 4 percent, small-scale enterprises increased 19 percent. The net output of fertilizer increased 11 percent, nitrogen fertilizer [output] increased 11 percent and phosphate fertilizer increased 47 percent. [Text] [Beijing NONGMIN RIBAO in Chinese 13 Mar 86 p 2]

CSO: 4007/359

BRIEFS

HEILONGJIANG FARMLAND DEVELOPMENT--In 1986, Heilongjiang Province plans to add 1 million mu of paddyfields to ensure that the total paddy-rice growing areas will reach 8 million mu, to reduce 1 million mu of waterlogged areas, and to prevent soil erosion on 1 million mu of farmland. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 31 Mar 86 SK] /12858

CSO: 4007/350

HENAN COUNTIES CONTROL RIVER, IMPROVE FARMLAND

OW081656 Beijing XINHUA in English 1520 GMT 8 Apr 86

[Text] Zhengzhou, April 8 (by XINHUA correspondent Xu Hongpo)--To peasants in three poor counties in Henan province, the Yellow River is now a friend which helps improve their farmland.

The 5,464-kilometer river used to be known as "China's Sorrow" for often breaching the dykes on its lower reaches, flooding fields, washing away topsoil and causing famine. But in the past two years, this process has been reversed. People now deliberately open sluice gates to divert river water onto their plots, where it deposits a fertile silt layer on the poor, alkaline land while irrigating it.

The best time to open the gates is September, when the river water flows at 3,000 to 5,000 cubic meters per second. It would be dangerous to do so during the flood season, said a farming official in this Henan capital.

Every 1,000 liters of water in the lower reaches of China's second-longest river contains 70 kilograms of silt from the Loess Highlands on the upper reaches. The river bed has been raised as a result--in parts of the province even higher than the surrounding ground. But the river no longer causes flooding, thanks to an annual mass mobilization to raise and strengthen the dykes over the past 30 years.

In 1984, the United Nations World Food Program donated 13 million U.S. dollars worth of supplies to help peasants construct an irrigation network in Kaifeng, Lankao and Qixian counties. The scheme is enabling the 530,000 local peasants to irrigate 11,330 hectares of poor land. A fertile silt layer 20 to 50 centimeters thick is deposited on plots by allowing river water to settle on them for a week, said the local official. Meanwhile, 10 million trees have been planted to hold down the new soil.

By the end of last year, 87 percent of the poor land had become fertile. The peasants hope to complete the scheme next year and to banish poverty for good.

Wang Yuhua's family of seven, from Kaifeng county, extended their 0.8 hectares of fertile farmland by 1.3 hectares through using river water. Before 1983, the seven-member family depended on 250 kilograms of relief grain every year. But last year, they harvested 700 kilograms of wheat for every family member.

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HENAN

BRIEFS

FERTILIZER SHORTAGE--Based on estimates from agricultural departments this year, the amount of fertilizer needed in Henan is more than 6 million tons, but supply is inadequate. Annual output of fertilizer for the province is 3 million tons, more than one million tons are purchased from other provinces, and there is a shortage of about 2 million tons. Because the price ratios between grain and ferilizer were irrational last year, the peasant's enthusiasm to invest in fertilizer was reduced, and fertilizer sales were slow throughout the province, many small fertilizer plants overstocked products and some were forced to stop production. Since last winter and this spring, grain prices have risen in Henan's markets, the peasants believe investing in fertilizer to increase grain output can bring obvious economic results, therefore, once again "sales of fertilizer are brisk", in particular supplies of high-grade fertilizer do not meet demand. It is estimated that the amount of fertilizer needed in Henan rural areas will increase about 20 percent over last year, during the fall planting season conflicts in supply and demand for fertilizer will be more prominent, Henan's rural areas will face a situation of difficulty in buying fertilizer. (From JINGJI XIAOXI) [Text] [Beijing ZHONGGUO XIANGZHEN QIYE BAO in Chinese 12 Mar 86 p 2]

CSO: 4007/355

BRIEFS

HUNAN INCREASE GRAIN PRODUCTION--As a result of the improvement of some 7 million mu of soil for approximately 6 years, Hunan Province has increased grain production by a total of some 3.2 billion jin and income by some 300 million yuan. [Summary] [Changsha Hunan Provincial Service in Mandarin 1100 GMT 5 Apr 86 HK] /12858

HUNAN'S EXPERIMENTAL BASES--After more than two years of building, the province has put into operation five major experimental animal husbandry bases. They are (Dangjing) County of Jishou City, (Bamianshan) Town of Longhsan County, the livestock breeding farm of Luxi County, (Jijiang) Town of Baojing County and the (Huangshagang) grassland of Tongdao County. These areas of the province are basically poor but are rich in natural resources. In 1983, the Provincial Agricultural Department, the Provincial Animal Husbandry Bureau, and the Animal Husbandry Bureau under the Ministry of Agriculture, Animal Husbandry and Fishery invested a total of over 10 million yuan in these bases. Now the cases cultivate over 98,000 mu of grasslands and raise over 10,000 cattle and sheep. The figures show an increase of about double that compared to those before the establishment of the bases. [Summary] [Changsha Hunan Provincial Service in Mandarin 2300 GMT 27 Mar 86 HK] /12858

HUNAN AGRICULTURAL INVESTMENT--Changsha, 3 Apr (XINHUA)--Hunan Province, one of China's major grain producers, plans to use nearly 60 percent more money on farmland capital construction during the Seventh 5-Year Plan than during the previous 5 years, provincial officials said today. The money will amount to 690 million yuan. It will be used mainly to build irrigation and drainage facilities and strengthening dykes. Grain output is targeted to increase by 500,000 tons annually during the next 5 years to reach 28 million tons in 1990. Meanwhile, the province will invest 380 million yuan, including the equivalent of 130 million yuan in loans from the World Bank, in animal and aquatic products farming and horticulture facilities. [Text] [Beijing XINHUA in English 1102 GMT 3 Apr 86 OW] /12858

CSO: 4020/270

BRIEFS

SUNFLOWER SEED SALES--Based on revelant data, in the past 3 years, sunflower seed salcs have continued to rise in Jiangsu. In 1983, sales were 456,000 jin; in 1984, sales were 540,000 jin; in 1985, sales were 660,000 jin. The average annual rate of increase was 13.6 percent; the majority of supplies come from Nei Monggol. The northern part of Jiangsu has been a base for sunflowers, but for the past few years output has continued to decline. Processing plants have increased and the amount of sunflower seeds needed has increased. [Excerpts] [Beijing NONGMIN RIBAO in Chinese 20 Mar 86 p 2]

CSO: 4007/359

JIANGXI

BRIEFS

PEASANT INCOME--Last year peasant income in Jiangxi again noticeably increased. Based on a sample survey of income and expenses of 2,450 peasant households in 35 counties, the peasant per capita net income was 377.31 yuan, an increase of 43.20 yuan over last year. or a 12.9 percent increase. The major reason for the increase last year was: With the continued rise in the commodity rate of agricultural and sideline products, and the development of tertiary industry in rural areas, income earned from the sales of agricultural products has continued to rise, and its proportion of income has risen. The peasant per capita net income earned from the sales of agricultural products was 288.78 yuan, a 15.1 percent increase over last year; the proportion of net income earned from sales of agricultural products has risen to 60.7 percent from 59.5 percent in 1984. Net income from products for self-consumption was 148.44 yuan, an increase of 9.7 percent over last year, its proportion has dropped to 39.3 percent from 40.5 percent in 1984. The rate of increase for secondary and tertiary industry has been faster than primary industry. Last year, the peasant net income from secondary and tertiary industry was 54.32 yuan, a 16 percent increase; 3 percent more than primary industry, and has become a major component of peasant income. [Text] [Nanchang JIANGXI RIBAO in Chinese 15 Feb 86 P 1]

CSO: 4007/355

BRIEFS

JILIN ANIMAL HUSBANDRY--Changchunn, 28 Mar (XINHUA)--Jilin has made a breakthrough in developing animal husbandry. Its output value of animal husbandry in 1985 increased to 1.26 billion yuan from 1984's 880 million yuan, an increase of 36 percent. In 1985, Jilin raised 8.19 million hogs, which basically satisfied the demand in urban and rural markets. Jilin has also increased fodder processing plants to more than 5,000 with a total annual capacity of processing of 1 million metric tons. [Summary] [Beijing XINHUA Domestic Service in Chinese 1227 GMT 28 Mar 86 OW] /12858

CSO: 4007/349

RADIO TALK ON COOPERATIVE, HOUSEHOLD CONTRACT SYSTEMS

SK080336 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 6 Apr 86

[Radio talk entitled: "The Cooperative System and the Household Contract System Cannot Be Separated"]

[Text] This year, in the course of implementing the Central Document No 1 and developing and perfecting the cooperative system, some comrades in the rural areas have had an erroneous idea that the implementation of the cooperative system means to negate the household contract system. Others have maintained that the household contract system will be replaced with the cooperative system. Still others have pitted the cooperative system against the household contract system, and misunderstood the guidelines of the Central Document No 1.

While calling for further developing and perfecting the cooperative system, the Central Document No 1 explicitly points out that the household contract system is a long-term policy of the party, and should by no means be changed in violation of the demands of the masses. This provides us with a reliable policy basis for correctly understanding the relationship between the cooperative system and the household contract system. The cooperative economy has appeared along with the further development of the rural household contract system. The reasons why some comrades have pitted the cooperative economy against the household contract system are that they have excluded the household contract system from the cooperative economy, have still regarded the household contract system as individual farming, and have failed to clearly understand that the household output-related contract system, which combines unified management with separated management, is a form of the cooperative economy, but not individual farming. In fact, the household contract system is not only covered by the cooperative economy, but is also a form of the cooperative economy that gives consideration to the initiative of both individuals and collectives. Therefore, by calling for developing and perfecting the cooperative system, we do not mean to replace the household contract system with the cooperative system, nor to negate the household contract system, but to develop and perfect the cooperative economy which includes the household contract system.

Practice in the province's rural areas proves that the cooperative system and the household contract system do not contrast with each other but, in fact, form a unity and cannot be separated. At the present stage, only when the cooperative system is introduced on the basis of the household contract system will it be full of vigor. Likewise, the household contract system cannot be separated from the cooperative organizations. Viewing the relationship between the cooperative system and the household contract system, service is the most important linking point of these two systems. When a peasant household encounters problems that are hard to solve by itself, it urgently needs various necessary preproduction, midproduction, and postproduction services from the cooperative organizations. The failure to provide such households with necessary services will hinder us from tapping the potential of the household contract system. In a sense, the further perfection of the cooperative organizations is needed to further develop the household contract system. Therefore, the cooperative system and the household contract system cannot be separated.

/12858
CSO: 4007/350

RECENT REFORMS BENEFIT NEI MONGGOL HERDSMEN

OW081716 Beijing XINHUA in English 1548 GMT 8 Apr 86

[Text] Hohhot, April 8 (XINHUA)--The 1.6 million herdsmen in the Inner Mongolia Autonomous Region have benefited from recent reforms and their annual incomes have increased by 145 percent in the past five years.

Local officials said here today the average per capita annual income of the herdsmen reached 650 yuan in 1985. They said that this is due to rural reforms in the region over the past five years. The herdsmen are mostly of the Mongolian, Han, Ewenki, and Daur nationalities. The reforms include giving local herders a right to contract pastures, they said.

While grasslands are owned by the state and collectives, individual herder families may now contract portions of local grasslands for up to 30 years, they noted.

Inner Mongolia leads China in allocating pastures to herders. About 54 million hectares, or 80 percent of its total, have been allocated to herders.

Herdsmen used to show little concern for grassland preservation as they moved constantly the year round to seek the best grazing land. With grassland at their own disposal, herders now do their best to improve it, they added.

The officials noted that the reforms have boosted Inner Mongolia's meat production from 238,000 tons in 1980 to 343,000 tons in 1985.

/12858
CSO: 4020/270

DEVELOPMENTS IN NINGXIA'S RURAL ECONOMY DISCUSSED

Yinchuan NINGXIA RIBAO in Chinese 14 Oct 85 p 1

[Text] In the period of the Sixth 5-Year Plan, there was rapid growth in the regions's rural economy. Calculated at current prices, the total output value of rural society reached 1.42 billion yuan in 1984, a 74.4-percent increase over 1980, and an average annual growth of 14.9 percent, which surpasses the national rate of growth. The proportion occupied by farming within total agricultural output value declined from 78.3 percent in 1980 to 74.3 percent, there was an increase in the proportion of the output value for forestry, animal husbandry, sideline occupation and fishery, and the rural industrial structure become more rational each day. The per capita net income from production reached 220 yuan in 1984, which was a 1.8-fold [sic] increase over that of 1980.

The yield of major agricultural products rose steadily. In 1984, total grain production reached 3.08 billion jin, an increase of 680 million jin over 1980, and an average annual growth of 6.4 percent, which was higher than the national rate of growth; the total output for rapeseed oil was 89 million jin, a 23.8-percent increase over 1980; the total sugar beet yield was 530 million jin, or a three-fold increase over 1980; and fishery also developed rapidly, with the cultivation area rising from over 30,000 mu in 1980 to 100,000 mu, and the total aquatic product production more than quadrupling, rising from 309 tons in 1980 to 1,508 tons in 1984.

Forest and grass construction concentrated mainly in the southern mountain areas achieved marked results. The first stage projects in Xiji shelter forest construction achieved success, drawing attention both within the nation and abroad. From 1981 to 1984, the accumulated forest construction was 269 million mu and grass planting was 210 million mu. There was gradual improvement in mountain ecological conditions, and we have basically done away with the phenomena of scraping the soil and digging up grass roots. The development of forest and grass construction has promoted the development of the livestock industry. In 1984, the region's total yield of pork, beef and mutton reached 53.6 million jin, a 41.3-percent increase over 1980; egg production reached 17.8 million jin, a 3.6-fold increase; and milk production reached 16.3 million jin, a 91.3-percent increase.

Township and town enterprises have also developed rapidly, and economic results have gradually risen. In 1984, the total output value of the region's township and town enterprises reached 360 million yuan, a more than 2-fold increase over that of 1980, and constituting 26.3 percent of rural society's total output value. The number of people engaged in business reached 138,000, and their proportion within rural labor increased from 5.2 percent in 1980 to 12 percent.

Among the major economic targets set for agricultural production in the region's Sixth 5-Year Plan, we are moving up by 2 years the overfulfillment of the targets for total grain yields, aquatic product yields, the number of sheep in inventory and the area of forest created; and we are moving up by one year the over fulfillment of targets for sugar yield, wolfberry fruit yield, large livestock, the area of man-made grass planted and total agricultural output value.

Changes in the Rural Economy between 1980 and 1984

Product	1980 Yield	1984 Yield
Total output value for rural society (billion yuan)	0.820	1.428
Total grain yield (billion jin)	2.407	3.084
Area of forest created (100,000 mu)	2.7	14.8
Area of grass planted (100,000 mu)	0.08	12.8
Total fish yield (tons)	309	1,508
Output value of animal husbandry (1980 constant prices; million yuan)	8.91	12.898
Total income from township and town enterprises	111.95	361.27
Per capita net income for peasants from production (yuan)	77.2	220.2

12452
CSO: 4007/108

SIMULTANEOUS DEVELOPMENT OF GRASSLANDS, LIVESTOCK URGED

Yinchuan NINGXIA RIBAO in Chinese 14 Sep 85 p2

[Article by Wang Guanglin [3769 0342 5259]]

[Text] Along with the adjustment of the rural industrial structure, all levels of leadership in various areas in our region, particularly the southern mountain areas, are making the growing of grass a major undertaking. In 1984, the region planted over 924,000 mu of grass, which is equivalent to two times the grass area remaining prior to 1982. In the first half of this year, the total of man-planted grass and over-seeded improved grass reached over 654,000 mu. Counties and municipalities with fairly large areas of grass are carrying out experimental work involving fixed rights to the use of the plains on a widespread basis, have set up responsibility systems for the management and utilization of the plains, and have begun to solve the long standing problem of of livestock eating from the "big grass bowl." The development of the field of grass-growing has energetically promoted the development of animal husbandry. Throughout the region, a whole bunch of good models have appeared involving growing grass and raising livestock, or combining grass and livestock, or with a lot of grass and a lot of livestock, or the simultaneous growth of grass and livestock.

However, in some areas, even with the development of grass growing, the raising of livestock has not kept pace, and in some particular areas, there is a lot of grass, but raising livestock has, on the contrary, declined, creating a phenomenon in which growing grass and raising livestock are out of joint, grass cannot be efficiently transformed into animal products, and the economic results of growing grass have not been brought into play. According to incomplete statistics, among the households in Guyuan County who plant grass, over 2,000 households have not raised even one large livestock animal. Some peasant households in Haiyuan County's Liwang Township planted 42 mu of alfalfa, but only raise one old cow. In Xiji COunty, this year some peasant households planted 80 mu of grass which produce 160,000 jin of fresh grass, but only raised 8 sheep and 3 cattle. If this situation is not resolved in a timely fashion, it is bound to blunt the masses enthusiasm for growing grass. And so conscientiously solving the problem of the simultaneous growth of grass and livestock is one of our current important tasks. And toward this end, we put forth the following opinions:

1. We should closely connect supplemental investment for growing grass with raising livestock. In the past few years, the concerned departments in our region have stipulated that each mu of perennial forage grass planted should be subsidized 8 yuan after it is accepted and meets standards. This policy played a very important role in mobilizing the enthusiasm of the masses for growing grass, but a new situation has also appeared. Some peasants are simply growing grass to collect the subsidy, and not actively developing livestock. We propose that from here on out, when concerned departments issue the subsidy they should at the same time also ask that livestock be raised; they should also appropriately shrink their investment in growing grass and increase their investment in purchasing livestock.

2. Suit measures to local conditions, distribute rationally, develop the grass growing fields in a planned, proportional way, and do not be arbitrarily uniform. At present, some areas are solely pursuing grass growing but not paying attention to transforming forage grass and not paying attention to economic results. To deal with this situation all areas should proceed from actual conditions, plant grass where appropriate, plant forests where appropriate and achieve a coordinated development raising as many livestock as there is grass, and determining the number of livestock by the amount of grass.

3. Adjust the structure of livestock herds, raise the ratio of dams and speed up the breeding of cattle and sheep. Within livestock herds, the proportion of nannies should be raised from the current approximately 50 percent to about 65 percent, and cows should be raised from the current 30 percent to about 50 percent. And we should control the slaughter of the offspring of cattle and nannies that have good breeding abilities. In mountain districts, we should set up livestock breeding bases and carry out mountain district breeding and irrigated district fattening and so raise the economic results of livestock rearing.

4. Conscientiously process and store forage grass. We must launch hundreds upon thousands of households into energetically storing green grass, paying attention to scientific storage methods and guarding against the spoilage and waste of forage grass. Based on the characteristics of residence dispersion, mountain districts should establish small-scale dispersed storage points. The state can invest in buying some small-scale forage grass processing machinery, contract them out to peasants to manage and use and thus enable forage grass to be fully utilized.

5. Concerned departments should emphasize support for specialized grass growing households that have a lot of grass but little livestock, and help them to buy dams. And at the same time, animal husbandry departments must help them technically, and raise the breeding rate of dams and the survival rate for young animals.

12452
CSO: 4007/47

QINGHAI'S GABULONG SPEAKS ON SPRING FARMWORK

HK290617 Xining Qinghai Provincial Service in Mandarin 2330 GMT 25 Mar 86

[Excerpt] In the evening of 25 March, the provincial government held a telephone conference, which urged all localities to grasp this opportunity to carry out practical work and do well in arranging spring farmwork, afforestation, and animal husbandry.

Vice Governor Gabulong spoke at the conference. He said: The province has started full-scale spring farmwork. On the basis of acting in the spirit of this year's central document no 1 and the enlarged Fifth Plenary Session of the Sixth Provincial CPC Committee, all localities have strengthened their leadership over agricultural production. The overall situation is a good one. According to incomplete statistics, the province's sown area now totals about 1.5 million mu.

On the present problems in spring farmwork, Gabulong pointed out: The main problem is that not enough grain is being sown. For this reason, the provincial CPC committee and the provincial government have urged all localities to implement the principle of not relaxing grain production while actively developing a diversified economy, and to ensure that the province's area of grain cultivation totals 6 million mu.

On the work of growing grass and trees in spring, Vice Governor Gabulong said: We must grasp firmly the work of growing grass and trees. While engaging in spring farmwork, all localities should work hard at afforestation. They should accomplish with good quality this year's task of afforesting 2 million mu of barren hills and waste shore.

On this year's production in animal husbandry, Gabulong pointed out: We must continue to take precautions and fight against natural disasters while ensuring the safety of livestock. We should organize the masses to use the grassland rationality and strive to score new successes in cultivating livestock.

The telephone conference was presided over by Governor Song Ruixiang.

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CSO: 4007/351

INCREASE IN EDIBLE FUNGI PRODUCTION DISCUSSED

Taiyuan SHANXI NONGMIN in Chinese 4 Oct 85 p 1

[Article by Guo Yushi [6753 5148 0013]]

[Text] Starting this year, there has been a quite large development of edible mushroom enterprises throughout the province. The provincial Research Center for Developing Edible Mushrooms has set up 22 technical extension stations throughout the province to disseminate technology, transmit information, organize purchasing and guide production for many specialized mushroom peasant households, and these stations are playing an active role. In the first half of this year, the counties of Linfen, Xiangning, Zhangzi, Yuncheng, Xiangfen, Yongji, Daixian, Gaoping, Hongtong, Shanyin, Hejin, Linyi and Yicheng had a total mushroom output of over 700 tons, a three-fold increase over the same period last year. While actively developing edible mushroom production, the Provincial Research Center for Developing Edible Mushrooms has established a joint venture with Japan's Tohoku Suijo [Northeast Mushroom Promotion] Corporation, and they have visited each other's facilities, introduced eight superior, early producing varieties such as smooth mushroom and dancing fungi, and set up a long-term foreign sales relationship. This year, the center also introduced the "8405" small flat mushroom from Japan, and successfully popularized it over a broad area, and in just the first half of the year, 35 tons were exported.

In order to further develop mushroom production, the Provincial Research Center for Developing Edible Mushrooms held 18 technical training classes, and trained 483 students. At the same time, it also dispatched technicians to various locales and held five training classes, with over 330 students.

12452
CSO: 4007/47

UNIFIED RETAIL PRICE FOR FERTILIZER GIVEN

Taiyuan SHANXI NONGMIN in Chinese 4 Oct 85 p 4

[Report by Zhang Junwei [1728 0689 0251]]

[Text] Urea: with a nitrogen content equal to or greater than 40 percent. A retail price for high-pressure polyvinyl bags of 510 yuan per ton; in jute bags, nylon bags or woven bags, 520 yuan per ton.

Ammonium nitrate: with a nitrogen content equal to or greater than 34 percent. For paper bags, 360 yuan per ton, for woven bags, 370 yuan per ton.

Ammonium carbide: First grade contains 17.1 percent nitrogen, and less than 3.5 percent moisture. For woven bags, 185 yuan per ton; for plastic bags, 175 yuan per ton. Second grade contains 16.8 percent nitrogen, and less than 5 percent moisture. For woven bags, 180 yuan per ton; for plastic bags, 170 yuan per ton.

Taiyuan phosphate fertilizer: Unpackaged. With phosphorus pentoxide content equal to or greater than 16 percent, 210 yuan per ton; with phosphorus pentoxide content equal to or greater than 14 percent, 190 yuan; with phosphorus pentoxide content equal to or greater than 12 percent, 170 yuan.

Light phosphate fertilizer: Unpackaged. With phosphorus pentoxide content of 14 percent, 168 yuan per ton; with phosphorus pentoxide content of 13 percent, 159 yuan per ton; with phosphorus pentoxide content of 12 percent, 150 yuan per ton. Add 18 yuan for woven bags.

12452
CSO: 4007/46

SHANXI

BRIEFS

POOR HOUSEHOLDS DECLINE--Due to the implementation of the party's rural economic policies, and the adoption of various measures by revelant departments to support and help peasants in poor and backward areas, the number of poor rural households in Shanxi is declining. Last year, although the province suffered serious natural disasters, the proportion of poor households in Shanxi with a per capita income of less than 200 yuan declined from 44.8 percent in 1980 to 17.5 percent in 1985. [Text] [Beijing NONGMIN RIBAO in Chinese 12 Mar 86 p 1]

CSO: 4007/359

SICHUAN TAX BENEFITS WILL PROMOTE AGRICULTURE

HK010800 Beijing CHINA DAILY in English 1 Apr 86 p 1

[By staff reporter Nie Lisheng]

[Text] Chengdu--China's largest agricultural province, Sichuan, will be allowed to keep 65 million yuan ($20.3 million) of State taxes collected from its rural industries over the next five years under a plan to let rural industries support agricultural development, especially grain production.

This move during the Seventh Five-Year Plan period (1986-1990) follows a sharp drop in grain production last year when Sichuan produced 38.3 million tons, nearly 3 million tons less than in 1984, partly because of the decreased State agricultural investment and partly because of farmers reluctance to grow grain.

During the Sixth Five-Year Plan period (1981-1985), according to the provincial agriculture department, total State agricultural investment in Sichuan dropped by 30.9 percent to 57.6 million yuan ($18 million), compared with 83.4 million yuan ($26 million) for the five years from 1976 to 1980.

Between the same two five-year periods, the proportion of agricultural investment in the province's total capital construction investment shrank from 6.7 percent to 3.8 percent, causing a shortage of funds for such farmland capital construction as irrigation and water conservancy projects.

Since the late 1960's, for instance, no progress has been made in expanding the irrigated area, which still accounts for only 40 percent of the province's total farmland. On the other hand, the area suffering considerable water loss and soil erosion has increased to 50 percent as a consequence of the over-felling of forests.

With a population of 100 million, 86 percent living in the countryside, this biggest grain producing province has also adopted a series of other incentive measures to promote grain production. Beginning this year, any farmer who has contracted with the State to produce 50 kilograms of grain

will get 2.5 kilograms of urea or other chemical fertilizer at State-subsidized prices. Grain-growing contractors may also receive loans from the provincial government at a ratio of one yuan for each 25 kilograms of wheat and two yuan for each 25 kilograms of rice or corn.

However, farmers in Sichuan Province are still reluctant to grow grain because of low State purchase prices and high production costs, local officials said. The total farmland sown to wheat this year dropped by another 56,000 hectares following last year's decrease of 200,000 hectares as farmers diverted more land for cash crops like rape.

In some places, farmland was even deserted as more farmers moved into rural industries or service trades for larger profits. A sample survey in Longchang and Zizhong counties showed the average price of urea, the most common fertilizer in the province, has increased 60 percent since 1978 to 0.53 yuan ($0.17)per kilogram, while that of ammonium bicarbonare jumped by 91 percent to 0.2 yuan ($0.06) per kilogram.

The prices of wooden farm tools rose even more sharply, ranging from one to four times. Irrigation water mills, for example, now cost 38 yuan ($43) each, compared with 20 to 30 yuan ($6 to $9) in the late 1970's.

Grain-growers are becoming the lowest income class in the countryside. Their daily average income was 1.85 yuan per capita. Rural workers and traders usually earn an average of four to five yuan each day.

Jiang Minkuan, governor of Sichuan said the province itself will allocate 30 million yuan ($9.5 million) more for agriculture this year. This will be used to spread science and technology, build irrigation projects and reduce fertilizer prices.

The governor noted that the province had set up a foundation to aid the processing of farm produce in 1982 and that funds were provided by local financial departments. In addition, he said, the provincial scientific and technological association has also provided funds for such projects as soil improvement and trial manufacture of new products.

/12858
CSO: 4020/270

SICHUAN

SICHUAN ANNOUNCES MEASURES FOR BOOSTING PIG RAISING

HK020429 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 2 Apr 86

[Excerpts] Responsible comrades of the provincial CPC committee and government listened to reports delivered at the provincial animal husbandry work conference on 27 March. The next day, a responsible comrade concerned of the provincial CPC committee summoned responsible comrades of the committee's rural policy research office, the provincial planning and economics commission, and the prices, industry and commerce, animal husbandry, textile, and foreign economic relations and trade departments to study and decide on policy measures regarding prices for porkers and on a rational procurement process, in order to protect the economic interests of the producers and operators, and stimulate the peasants' enthusiasm for raising pigs, and promote the steady development of pig-raising.

The meeting was held in view of the current problems in some places of purchasing pigs at low prices and in restricted numbers.

The policy measures decided include the following:

1. Actively procure the pigs and support the development of production. The state has commissioned the province to store a large amount of pork on its behalf. All parts of the province must therefore strengthen leadership, do a good job in procurement work, and resolutely curb erroneous practices such as buying pigs at low prices and in restricted numbers.

2. Generally speaking the guidance price should be taken as procurement price. The policy of higher prices for higher quality should be followed. The procurement price for porkers in 42 counties which are lean-meat pig bases should be 3 fen per jin higher than elsewhere.

3. Practice multichannel operations.

4. It is forbidden to force down prices.

5. Levy reasonable taxes and fees.

/12858
CSO: 4007/351

SICHUAN

BRIEFS

PIG PROCUREMENT PROBLEMS--Xie Shijie, member of the standing committee of the provincial CPC committee, solemnly announced at a provincial animal husbandry work conference on 28 March that the state has commissioned Sichuan to store 50,000 to 70,000 tons of pork on its behalf. Hence, it is essential to strengthen leadership, actively organize procurement, support the development of production, and resolutely curb the erroneous methods of procuring pigs at low prices or in restricted numbers. Comrade Xie Shijie pointed out: The current situation of falling pig prices, increasing fodder prices, and restricted pig procurement that has appeared in some places is a problem that merits our attention. He announced that, with the agreement of the departments concerned, the procurement price for pigs this year should in general be the guideline price of 0.71 yuan per jin. A minimum protection price must be set in places where communications are poor and storage very difficult. This is to protect the interests of the producers. At the same time, multichannel operations should be promoted. The peasants can freely engage in procurement and marketing. Operational departments and personnel are forbidden to force prices down. [Text] [Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 1 Apr 86 HK] /12858

CSO: 4007/351

XINJIANG

BRIEFS

FRUIT EXPORTS--Last year, the Xinjiang Uygur Autonomous Region transferred 1,550,000 tons of watermelons and muskmelons to other localities, an increase of 180 percent over 1984. The transfer price per kilogram of watermelon was .10 yuan to .16 yuan, the average transfer price for muskmelon was about .30 yuan per kilogram. This year Xinjiang is paying attention to sowing fine varieties, maintaining the current superiority of watermelons and raising the quality of muskmelons. It is estimated that more than 250,000 [sic 2,500,000] tons of watermelon and muskmelons will be transferred this year. Prices will basically remain at last year's levels. [Text] [Beijing ZHONGGUO XIANGZHEN QIYE BAO in Chinese 12 Mar 86 p 2]

CSO: 4007/355

REFORM IN SUGAR CANE PURCHASE PRICE ANNOUNCED

Kunming YUNNAN RIBAO in Chinese 18 Oct 85 p 2

[Text] To further motivate the production enthusiasm of peasants engaged in sugar cane growing, give full play to the province's advantages for growing sugar cane, and speed up the development of sugar cane production, the Provincial People's Government recently issued a notice of the following reforms in the province's sugar cane purchase price and the factory price of refined sugar:

1. Beginning with the 1985-86 pressing season, we will implement a comprehensive purchase price for the purchase price for sugar plants, and at the same time, we will eliminate the increased price for surpassing the base, the reward sales of grain, the return of profits and the return sales of tax exempt grain.

To benefit the rational circulation of grain, both sugar cane and refined sugar will maintain an appropriate regional price differential based on the distance from Kunming or Dianwei (transit station). The purchase price for sugar cane will be set as follows: the comprehensive sugar cane price will be set at 60 yuan per ton when the sugar plant is within 300 kilometers of Kunming or Dianwei (the same is true below); the comprehensive sugar cane price will be 58 yuan per ton from 301 to 600 kilometers; and the comprehensive sugar cane price will be 56 yuan per ton when 601 kilometers or more. To facilitate all places setting sugar cane purchase prices according to actual circumstances, all prefectures, autonomous prefectures and cities may have the authority to lower the price 5 percent of the sugar cane purchase price grade in the above regulations, but may not raise it.

Refined sugar can only be produced and marketed by a plant within the locality, prefecture, autonomous prefecture or city, and the prefecture, autonomous prefecture or city may determined their own sugar cane purchase price within the above three grades.

2. After the province implements a comprehensive sugar cane purchase price, the price differential for reward sales of grain will already be included within the comprehensive purchase price. Consequently, the sugar cane sold to the state by peasants and state farms will no longer get reward sales of grain. The peasants engaged in sugar cane in certain areas who suffer a grain

shortage due to the elimination of reward sales of grain will be supplied by the grain departments according to the the grain proportion purchase price, based on the treatment of rural grain-short households.

3. Assuming that we maintain the current 1,000 yuan per ton factory price for first grade refined sugar (including superior grade, the same is true below) and the general level does not change, the price factory price of machine-made refined sugar will maintain an appropriate regional price differential. The factory price per ton of first-grade refined granulated sugar will be set at 1,025 yuan when the sugar plant that transfers out according to plan is within 300 kilometers of Kunming or Dianwei (the same below); it will still have a price of 1,000 yuan when it is between 301 and 600 kilometers or when sugar is only produced and sold by the plant within the local prefecture, autonomous prefecture or city; and set at 980 yuan if it is 601 or more kilometers away.

There will be no change in the sales price of refined sugar in the province's production or sales area markets.

12452
CSO: 4007/108

PROVINCE MAKES STRIDES IN SECOND STAGE RURAL REFORM

Hangzhou ZHEJIANG RIBAO in Chinese 27 Sep 85 p 1

[Article by Li Dan [2621 0030]]

[Text] With the gradual penetration of the second stage of rural reform into the countryside, the province's cultivation shows a trend toward developing "well-known, local specialties, superior quality and new varieties."

The coarse, long-grain rice which urban residents frown upon is now leaving the historical stage with large steps. The area of early rice planted this year in fairly good varieties such as "Qinglian 16" and "29 Feng" has increased dramatically from over 700,000 mu last year to three million mu, or over one-fourth or the cultivated area. "Xiushui 48," "Jiahu No 5," "Jiahu No 6," and other medium and superior varieties have leapt to being the head varieties among late rice, and their cultivated area has risen from 51 percent last year to 80 percent. Varieties such as "Hongtu 31," "8004" and "81-40" have stimulated even more peasant interest, correctly vying to purchase seeds at several yuan per jin.

The tendency for cash crops is for well-known, local specialities, superior quality and new varieties. The province has set up over 1,000 mu of nurseries for various types of improved varieties, 580 mu of orchard nurseries and a lot of production base areas for well-known and local specialties such as well-known soybeans, well-known fruit and well-known medicinal herbs. There are 21 base areas for well-known teas. Last winter and this spring, they opened up 370,000 mu of orchards, a one-third increase over the original area. The "small fruit" among them that first got a rather cold reception, such as strawberries, cherries, grapes and pears, now hold a 60,000 mu position among the brand-new varieties. Within the citrus family, they increased the "Gongchuan" and other up and coming varieties whose use has burst out into all of Asia and is spreading around the world. Hybrid hemp, with tall stalks, thick skin and long fiber is towering forth; "non-toxic cotton" that can raise the utilization value of cotton leaves, cotton kernals and cotton seed cake has attracted people's steady attention. The experimental planting of rapeseed with low mustard acid has achieved success in Jiaxing, Jiashan and other places, and its popularization will enable people to use rapeseed oil without the worry of arteriosclerosis. About half of the more than 400,000 mu of watermelons produced this year were quite good varieties, such as Xincheng No 1, Zhemi No 1, Zhongyu No 1, and Xinge. Despite the fact that this proportion is still not completely to people's liking, the nearly 1,000 mu of newly bred improved varieties will no doubt enable the quality of next year's watermelons to rise to even greater heights.

12452
CSO: 4007/50

MECHANIZED FEED PROCESSING TO INCREASE AQUATIC PRODUCTION

Hangzhou ZHEJIANG RIBAO in Chinese 29 Sept 85 p 2

[Article by Zhang Jinsheng [1728 0093 3932]]

[Text] "Get rich quick by raising fish and shrimp." This expression, which is popular now in the countryside, has made breeding machinery rise in social status within fishery machinery, and made them a hot item in the fishery machinery market. At a national fishery machinery trade show recently held in Hangzhou, breeding machinery captured nearly all of the business volume. Sales volume for a half-month reached over three million yuan, and in signed letters of intent, the signed purchase amount was equal to four times the above amount.

Among breeding machinery, feed processing machinery in particular received people's favor. The adjustment of the rural industrial structure has promoted the development of aquatic cultivation and "fish raising fever" and "shrimp raising fever" have appeared everywhere. According to preliminary statistics, this year the area for raising fresh water fish has increased 120,000 mu over last year; the number of fingerlings released this year was a net increase of 110 million over last year; and the number reaching maturity also increased to 210,000 dan. "Three increases" brought "one increase," the province's demand for fish feed increased sharply, and due to this, the prices for feed processing machinery also look good.

The rise in shrimp raising adds fuel to the flames and makes the contradiction between supply and demand for feed even greater, and so feed processing machinery appears to be even more urgently needed. This year the province's shrimp rearing area increased over last year. Shrimp feed is characterized by concentrated periods of use, with just a three month period between July and October. This provides a new task for feed processing machinery of high productivity and coordinated storage and freshness maintenance. Those "multiple-purpose machines" at the trade show can both be used to process fish and shrimp feed and are also able to produce feed for domestic poultry, and so were particularly popular. And this is the reason why the flat-type, hard pellet feed processing machines, the vertical roller-wheel pressing-type hard pellet feed processing machines and the expanded pellet feed machinery produced by the Ningpo Feed Machinery Plant and Shanghai's Qingpu Fishery Machinery Plant, etc. have been so welcome.

The spread of scientific fish cultivation techniques has brought new information for the sales of fishery machinery, revealing new directions for fishery machinery production. This year the province's area for fish dikes increased from 240,000 to 37,3000 mu, and many of these dikes were newly built, and in addition, they have widely adopted meticulous cultivation and fish placement, and combined the raising of black carp, grass carp, silver carp, and variegated carp and raised the water's utilization rate. And so because of this, various sorts of equipment to increase oxygen in the water and machines to improve water quality have been greatly welcomed. According to statistics, over 180 machines to increase oxygen were sold at the trade show, and 123 multiple-function machines to improve water quality. It is not difficult to see that with the rising level of scientific fish raising, these will be useful in promoting fish growth and preventing and treating disease, and that fishery machines for the meticulous raising and placement of fish will certainly have "limitless prospects."

In addition, fishery products of high quality, moderate price, small-scale and multiple-purpose such as fishery machine fittings, transport equipment for live and fresh fish and fish sieves for classifying fingerlings were also popular products at the trade show. And the sales markets in these areas also have great possibilities and are worth the attention of the concerned plants.

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NO RELAXATION IN GRAIN PRODUCTION STRESSED

Hangzhou ZHEJIANG RIBAO in Chinese 29 Sep 85 p 1

[Text] All areas throughout the province are conscientiously implementing Central Committee Document No 1, and have achieved great accomplishments in adjusting the structure of rural industry and in promoting coordinated development within agriculture. But some areas have shown a tendency to slight or neglect grain production. This deserves our attention.

The tendency to slight or neglect grain production is expressed in many quarters. Some areas where village enterprises and family businesses are developed "fervently engage in industry, bustle in business and give agriculture the cold shoulder." Agricultural production, particularly grain production, shows signs of shrinking, cultivation is extensive, and rice fields are barren; in some areas where a commodity economy is lively, there is active enthusiasm for engaging in industry and commerce, and not much interest in farming and hog raising, so grain yield has dropped, and there is less hog raising. The main reasons why these conditions have appeared are 1) the development of a commodity production and of rural enterprises have enabled many rural households to become dual-business peasant households that mainly engage in industry and commerce, and these households do not have much interest in the meager income of agriculture; 2) some of the state and collective policies and measures that support agriculture are already ineffective, some are unworkable, and some have been squeezed out; 3) some leaders mistakenly believe that peasants can farm on their own and so have relaxed their leadership in agricultural production.

How to strengthen leadership in grain production, how to give full play to the role of agriculture as the prime thing and how to raise peasants' interest in farming are of course problems that cannot be ignored. The guiding principle of "not relaxing grain production and actively developing a diversified economy" is still not out of date. There is no question of the continued robust development of rural enterprise. The problem now is that some of our cadres have rushed headlong into rural enterprises and have forgotten the idea that agriculture is the foundation. We say that "without industry, one cannot become rich," but we must not forget that "without agriculture, there can be no stability." If grain production is not stable, then all other fields loose their foundation. Comrade Chen Yun pointed out in "A Talk to the Communist Party of China's National Congress" that "Feeding and clothing one billion

people is one of China's major economic problems and it is also a major political problem. 'Without grain there would be chaos.' And this matter cannot be belittled." All levels of leadership must keenly recognize the importance of doing a good job with grain production from this talk of Comrade Chen Yun.

When we speak of not relaxing grain production, we do not mean that we should use all cultivated land to grow grain or that all labor should be engaged in feeding the nation. Viewed from the whole province, it was correct to change some grain land to cash crops this year. Now, correcting the phenomenon of neglecting grain production should primarily be to earnestly get rid of the one-sided way of thinking of some cadres and masses, and we must not feel that the only path to become rich is to engage in industry or commerce. They must fully understand the implication of the sayings "without agriculture, there is no stability, without industry there is no enrichment, and without commerce, there is no economic liveliness," and their mutual relationships, allowing the many peasants to feel that developing and using agricultural resources, in the same way, is a path to becoming rich. We must make necessary adjustments in policy. Our present specialized agricultural households, particularly the large farming households, have met numerous difficulties in production, and some have shrunk the scale of operations and some have considered changing fields. Viewed from the present, the farming and hog raising subsidies that were effective in the past should be reinstated and supported. We should adopt varied policies and guarantee that the income of those who farm and raise hog be no lower than that of those in rural enterprises. Some areas use profits from rural enterprises to subsidize agriculture, and actual experience shows that this is desirable, and that it is beneficial in promoting the development of agriculture.

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ZHEJIANG ISSUES NEW REGULATIONS ON FOOD PRODUCTION

HK051010 Beijing CHINA DAILY in English 5 Apr 86 p 2

[Text] Zhejiang Province has issued new regulations governing the production management of grain, pork and vegetables, according to the newspaper CHINA COMMERCE JOURNAL.

Some key grain producers were enjoying loans at preferential interest rates of 5.4 percent and cadres on fixed incomes were taking money intended for labor subsidies once their village contract for grain production had been fulfilled, in defiance of State rules which say local enterprises should give a production [as published] of their profits to the production of grain, pigs and vegetables in the suburbs.

Subsidies should be drawn from 10 percent of the profits from local enterprises and from taxes paid by individual farmers.

In more developed areas, with the approval of the county authority, contracts should be made between urban enterprises and farmers specializing in raising pigs or growing grain and vegetables to support and encourage production. In developed areas, the raising of pigs should be included in the State plan, linking subsidies to farmers' production. Commercial departments should set a general price for pig meat, preferably at the 1985 level, and a pig production fund should be set up to help improve the quality of the animals and to make up any losses caused by setting protective prices.

In Jiangsu Province, a surplus of pigs is causing problems, the newspaper ECONOMIC INFORMATION reported.

Rapid growth methods have produced market-ready animals much earlier than usual and in the first two months of this year, stocks rose by 45.6 percent.

As a result, some centers have cut back on the number of pigs they are prepared to buy from local farmers. The province's pig population increased by 5.8 percent in the first two months of this year over 1985, but the amount of pig meat sold in the province in February was 40,000 tons, down one-third in the same month last year.

Farmers are also finding it difficult to sell their pigs elsewhere. Other areas are also burdened with surplus stock, including Shanghai, which used to be the province's main buyer of pig meat.

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BRIEFS

ZHEJIANG PEASANTS' INCOME--Hangzhou, 31 Mar (XINHUA)--In 1985, over half the peasant families in Zhejiang Province earned a net income of more than 500 yuan. A major factor contributing to the high income was the increase in agricultural production. Other reasons were the fast development of village and town enterprises and the change in production structure. Now, 6 million rural laborers, or about one-third the rural labor force in the province, are engaged in forestry, animal husbandry, sideline, or fishery production, or have taken jobs in secondary and tertiary industries, instead of doing farm work, and a lot of specialized households and integrated economic establishments have appeared. [Summary] [Beijing XINHUA Domestic Service in Chinese 0055 GMT 31 Mar 86 OW] /12858

TOWNSHIP, TOWN ENTERPRISE GROWTH--The healthy development of township and town enterprises has already accommodated a large amount of surplus agricultural labor, and according to incomplete statistics from concerned provincial departments, up to the present, over 4.13 million surplus agricultural laborers in Zhejiang have already gone to engage in industry in township and town enterprises. These laborers already constitute over 20 percent of the total rural labor in the province. With the development of township and town enterprises in areas with little land but large populations such as Shaoxing, Yinxian, Xiaoshan, Yuyao and Cixi, the peasants engaged in industry is already about about one-half of the rural labor force. Since the shift of this labor from agricultural, this has solved the employment problem for large amounts of surplus rural labor, developed commodity production, envigorated the rural economy and increased peasant income. At the same time, in the readjustment of rural industry, it has stimulated peasants' zeal for adopting modern technology, further improved grain production and a diversified economy, raised the quality of agricultural and sideline occupation products and also demonstrated a even more important role. [Text] [Hangzhou ZHEJIANG RIBAO in Chinese 28 Sep 85 p 1] 12452

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